

**SUPPLEMENTAL REPORT**  
**OF THE**  
**2001**  
**HEALTH INSURANCE MARKET**  
**IN**  
**NEW HAMPSHIRE**

## TABLE OF CONTENTS

### Introduction

History

Components of Supplemental Report

### SECTION 1

Distribution of covered lives in New Hampshire's insurance market segments

Statewide Group Market Distribution

Statewide Fully Insured Market Distribution

Statewide Fully Insured Market Distribution of covered lives by type of coverage

Estimated Distribution of lives by type of coverage

Distribution of Covered Lives by Insurance Market

New Hampshire Small Group Market Distribution

### SECTION 2

Statewide Small Group Market Distribution (6)

### SECTION 3

Statewide Market Distribution

Statewide Market Summary

Group Market Loss Ratio

Premiums Per Member Per Month (PMPM) by Market Category

Premium Per Member Pr Month (PMPM) Small Group by Geographic Area

PMPM and Loss Ratio Indices Relative to State Average by Small Group Market

Statewide Distribution of Loss Ratios by Small Group Market

Premium Per Member Per Month (PMPM) Small Group (by Group Size)

Loss Ratios by Area (All Group)

Loss Ratios by Area ((Large Group)

Loss Ratios by Area (Small Group)

### SECTION 4

Statewide Distribution by Type of Coverage

Statewide Distribution of Covered Lives by Type of Coverage (4)

### SECTION 5

Market Share by Company (4)

Geographical Summary by Company (17)

### ATTACHMENT A

Bulletin

Glossary

## INTRODUCTION

In 2002, the Insurance Commissioner issued a bulletin requiring all New Hampshire licensed health insurance companies, health maintenance organizations, fraternal benefit societies, and third party administrators to submit a supplemental report to their annual report detailing their coverage offered in New Hampshire. By law, the Insurance Commissioner is authorized to prescribe the format and content of financial and other reports filed by insurers licensed in New Hampshire. The data submitted in the supplemental report is critical to understanding and evaluating the New Hampshire's health insurance market.

Recently, concerns about premium increases have strengthened the need for the submission of market-based information. To regulate and report on the condition of the insurance market, the Commissioner must understand the population served by the market, trends in utilization, and the costs associated with the different markets and different regions of the state. The data reported in the supplemental report provides a means of understanding the distribution of insurance in New Hampshire on a geographical and market segment basis, the market share of carriers on a geographical and market segment basis, and the loss ratios associated with different market segments and different geographic areas.

## **HISTORY**

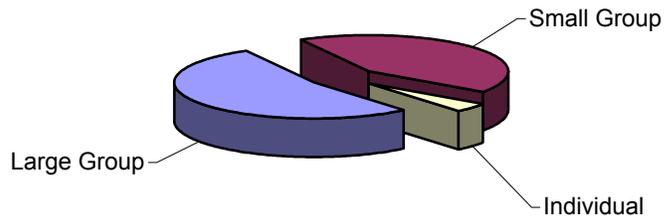
The first round of supplemental report filings occurred on May 1, 2002, and included data from calendar year 2001. Under the bulletin, the May 1, 2002 filing date applied only to licensed non-profit health service corporations and licensed health maintenance organizations. All other licensed health carriers filed in 2003.

In reviewing the information set forth in this report, it is important to understand that this report includes data from only some of the carriers that provide coverage in the individual and group health markets in calendar year 2001. In addition, because the bulletin did not mandate that the initial report fully comply with all the supplemental reporting requirements, a large number of covered lives are not assigned to a particular coverage and/or market category as defined in the supplemental report. The report should be reviewed with those limitations in mind.

## **COMPONENTS OF SUPPLEMENTAL REPORT**

This supplemental report is broken down into five sections. The first section addresses the distribution in New Hampshire's insurance market segments, including the fully insured and self-insured market segments. Section 2 of the report shows the statewide small group market distribution by the size of the groups, the covered lives, the premiums, the claims, the per member per month premiums and the loss ratios. The third section of the report covers the statewide market distribution and reports on the total premium paid, the claims, the per-member per month premiums, and the loss ratios by geographical location and by market segment. The fourth section of the report shows the statewide distribution of covered lives by type of coverage, and the fifth section reports on state market share. A glossary of terms and Bulletin No. 02-001-AB are included at the end of the report.

### NH Fully Insured Health Insurance Market Distribution



Large Group	224,138	53%
Small Group	181,733	43%
Individual	17,362	4%

# Statewide Market Distribution

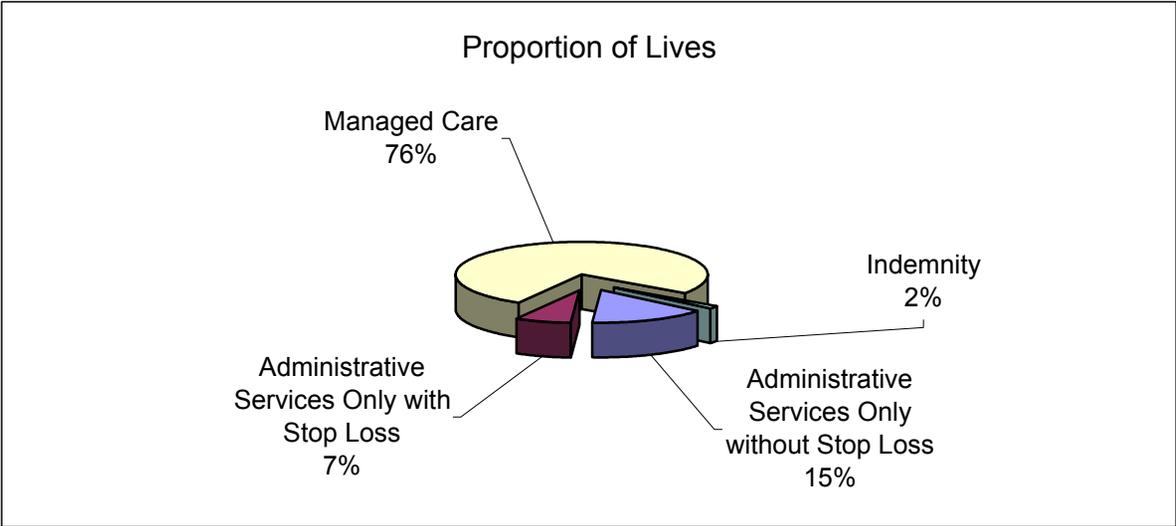
Market	Covered Lives	Premium (000)	Claims (000)	PMPM	Proportion of Lives	Loss Ratio
Small Group	181,733	408,911	338,237	187.51	35%	83%
Large Group	337,751	808,680	714,667	199.53	65%	88%
TOTAL	519,484	1,217,592	1,052,903	195.32	100%	86%

# Statewide Fully Insured Market Distribution

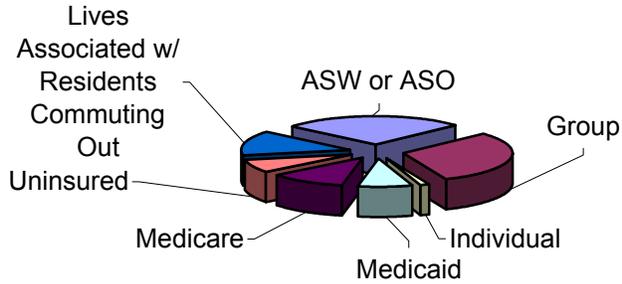
Market	Covered Lives	Premium (000)	Claims (000)	PMPM	Proportion	
					of Lives	Loss Ratio
Small Group	181,733	408,911	338,237	187.51	45%	83%
Large Group	224,138	556,497	478,969	206.90	55%	86%
TOTAL	405,871	965,408	817,205	198.22	100%	85%

# Statewide Distribution of Coverage

Type of Coverage	Covered Lives	Premium (000)	Claims (000)	PMPM	Proportion	
					of Lives	Loss Ratio
Administrative Services Only without Stop Loss	79,562	162,046	155,838	169.73	15%	96%
Administrative Services Only with Stop Loss	39,344	99,747	88,328	211.27	7%	89%
Managed Care	406,439	958,555	809,639	196.54	76%	84%
Indemnity	8,075	25,162	18,820	259.67	2%	75%
<b>TOTAL</b>	<b>533,420</b>	<b>1,245,510</b>	<b>1,072,625</b>	<b>194.58</b>	<b>100%</b>	<b>86%</b>



### Estimated Distribution of Coverage



	Lives (000)	%
ASW or ASO	324	27%
Group	367	31%
Individual	17	1%
Medicaid	95	8%
Medicare	137	11%
Uninsured	90	8%
Lives Associated w/ Residents Commuting Out	170	14%

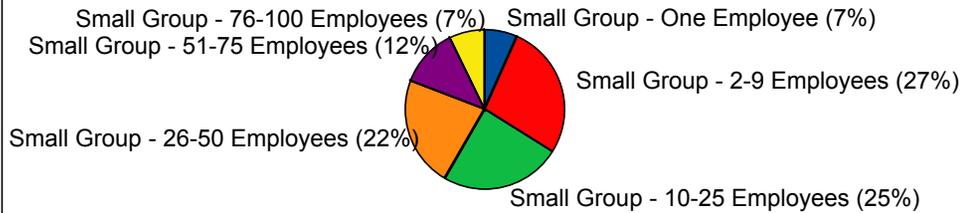
**Source Notes:**

Lives Associated with Residents Commuting Out of State based on NH Commuting Patterns, <http://www.nhes.state.nh.us/elmi/comm patt.htm>  
 Medicaid Covered Lives - DHHS, Christina Purdum  
 Uninsured Lives - HRSA Interim Report, March 2002  
 Individual Lives - NHIHPBA Assessment Reports, 2001  
 Group Lives - DOI Supplemental Reports, 2001 adjusted for Nonresidents Commuting In

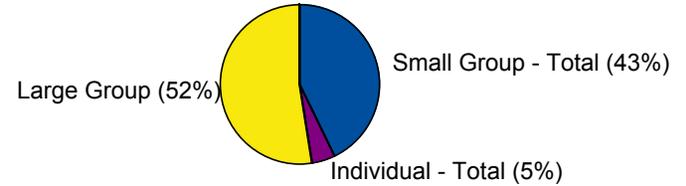
# Distribution of Covered Lives by Market

(New Hampshire 2001 Supplemental Reports)

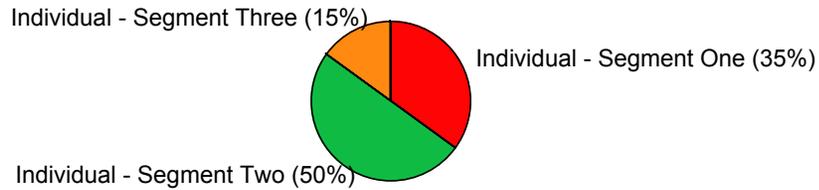
Small Group Market



All Markets

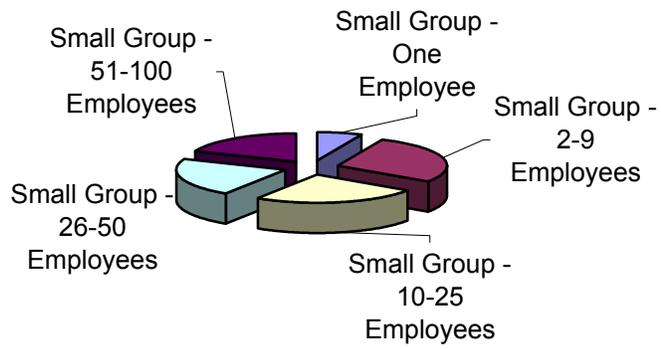


Individual Market



Market Share	Small Group Market	Individual Market	All Markets
Small Group - One Employee	12,000		
Small Group - 2-9 Employees	50,000		
Small Group - 10-25 Employees	45,000		
Small Group - 26-50 Employees	41,000		
Small Group - 51-75 Employees	22,000		
Small Group - 76-100 Employees	13,000		
Small Group - Total			183,000
Individual - Segment One		7,000	
Individual - Segment Two		10,000	
Individual - Segment Three		3,000	
Individual - Total			20,000
Large Group			224,000

### NH Small Group Market Distribution

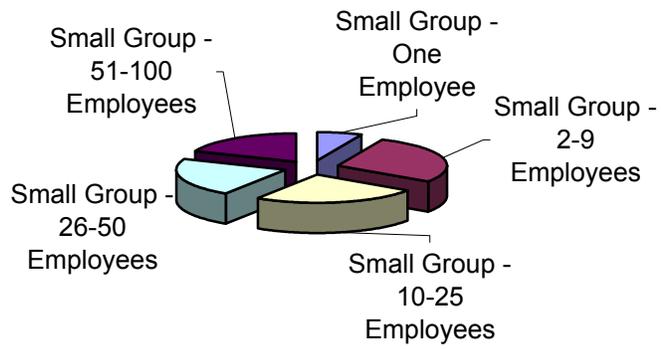


Small Group - One Employee	12,279	7%
Small Group - 2-9 Employees	50,338	28%
Small Group - 10-25 Employees	45,133	25%
Small Group - 26-50 Employees	39,445	22%
Small Group - 51-100 Employees	34,538	19%

## Statewide Small Group Market Distribution

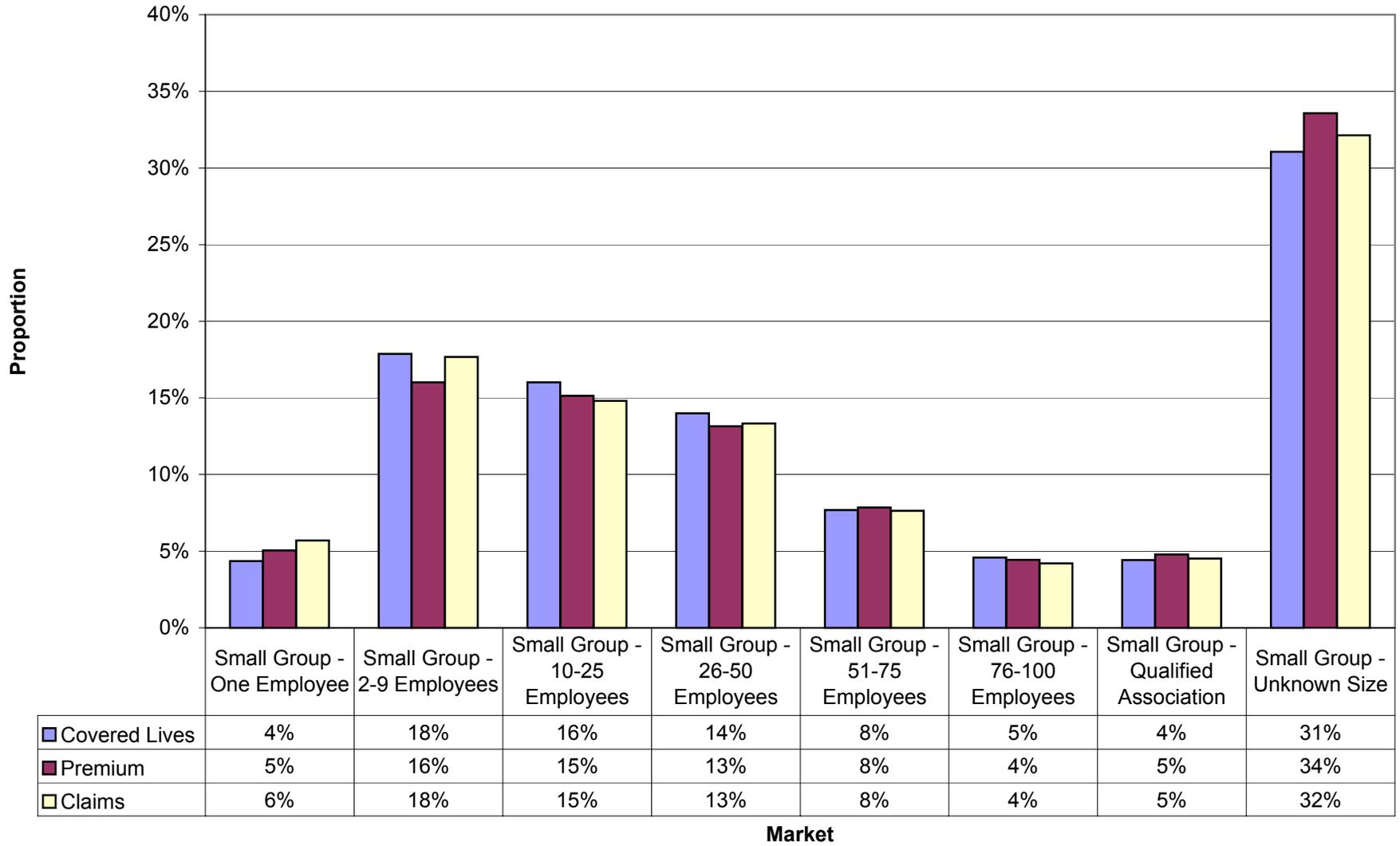
Market	Covered Lives	Premium (000)	Claims (000)	PMPM	Loss Ratio	PMPM Ind	Loss Ratio Index
Small Group - One Employee	7,922	20,687	19,272	217.61	93%	1.16	1.13
Small Group - 2-9 Employees	32,477	65,465	59,773	167.98	91%	0.90	1.10
Small Group - 10-25 Employees	29,119	61,890	50,068	177.12	81%	0.94	0.98
Small Group - 26-50 Employees	25,449	53,754	45,091	176.02	84%	0.94	1.01
Small Group - 51-75 Employees	13,956	32,097	25,809	191.66	80%	1.02	0.97
Small Group - 76-100 Employees	8,327	18,134	14,223	181.48	78%	0.97	0.95
Small Group - Qualified Association Trust	8,040	19,602	15,307	203.17	78%	1.08	0.94
Small Group - Unknown Size	56,443	137,283	108,693	202.69	79%	1.08	0.96
TOTAL	181,733	408,911	338,237	187.51	83%	1.00	1.00

### NH Small Group Market Distribution

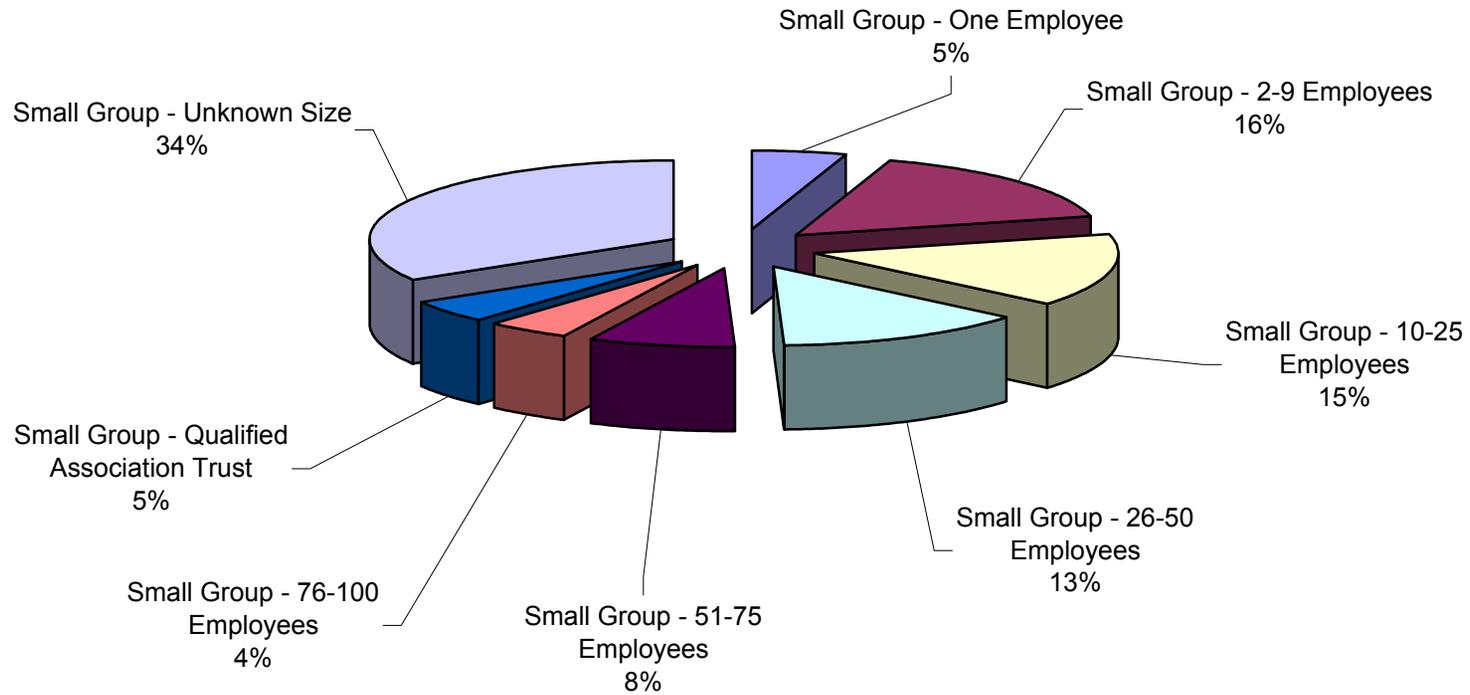


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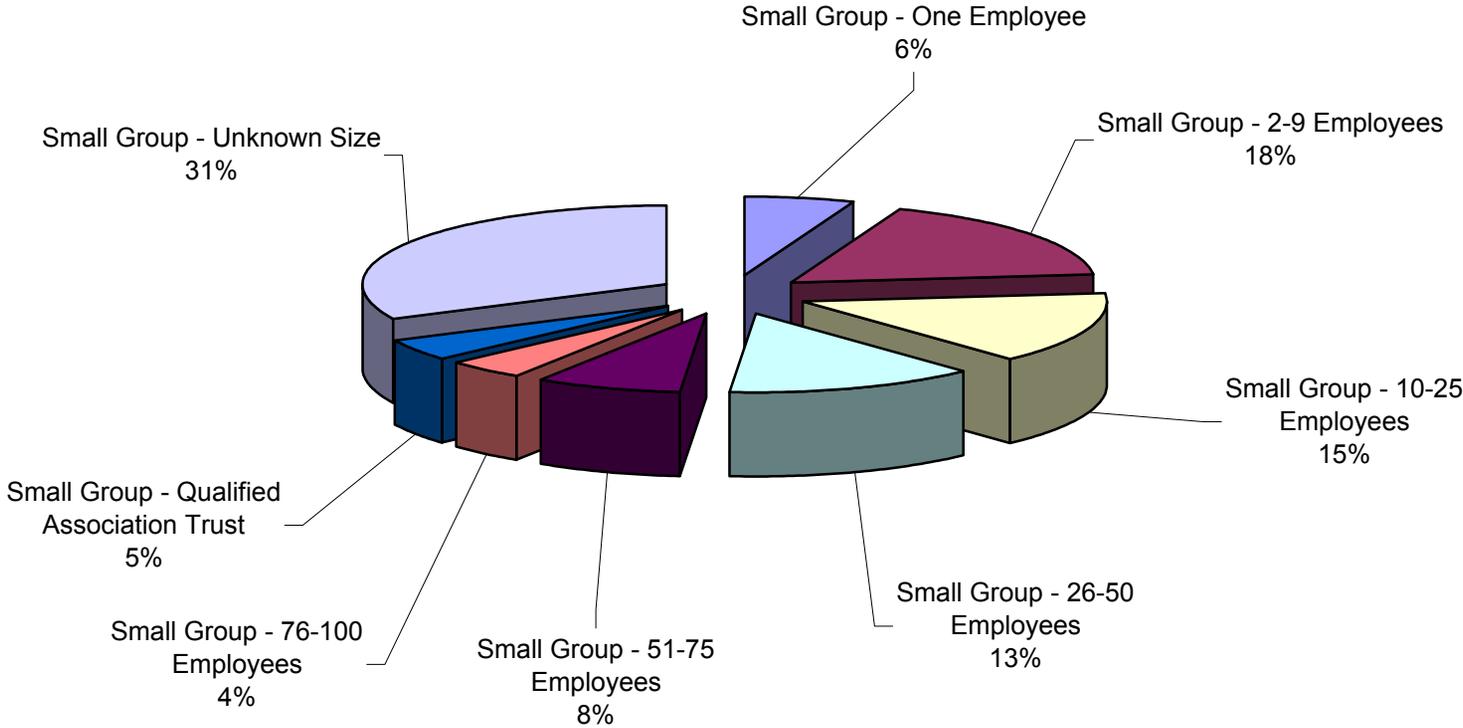
### Statewide Small Group Market Distribution



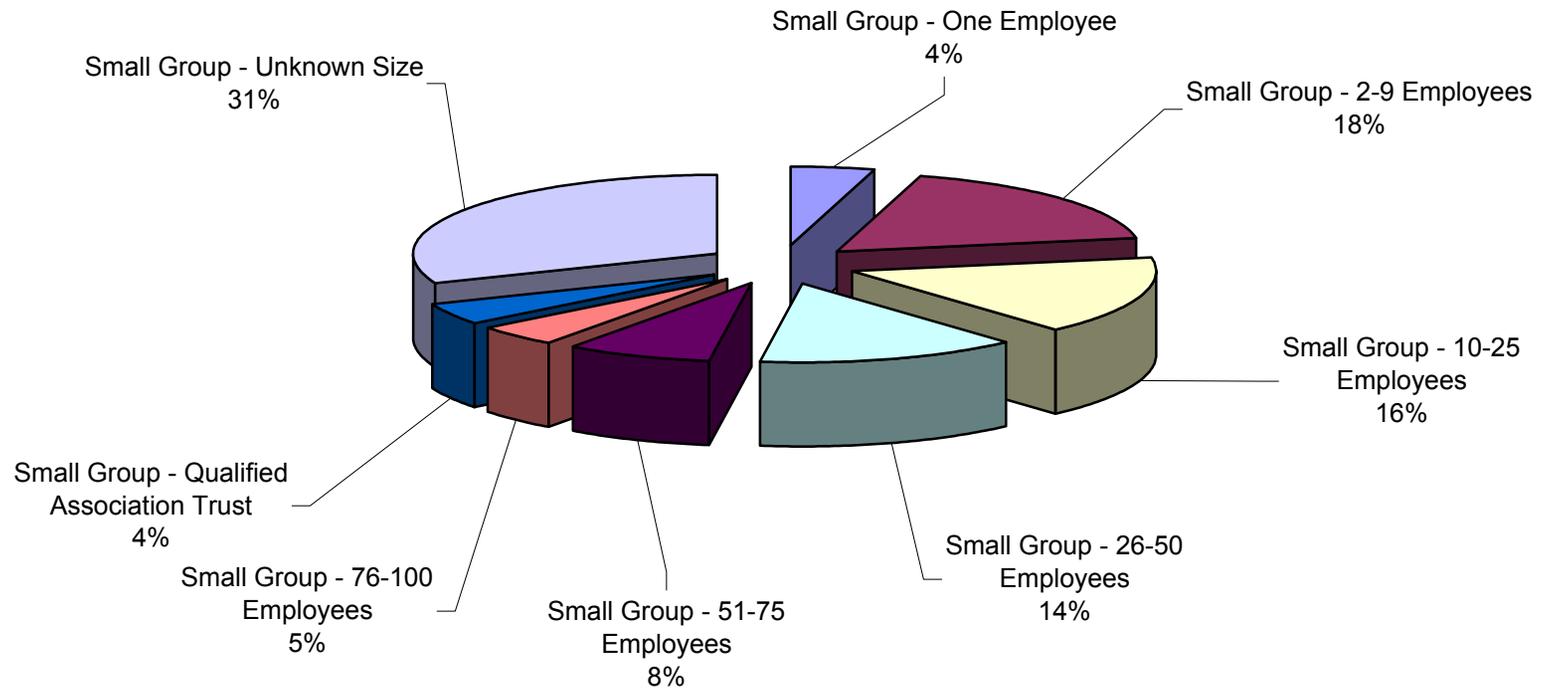
## Statewide Small Group Market Distribution by Premium



# Statewide Small Group Market Distribution by Claims



# Statewide Small Group Market Distribution Covered Lives



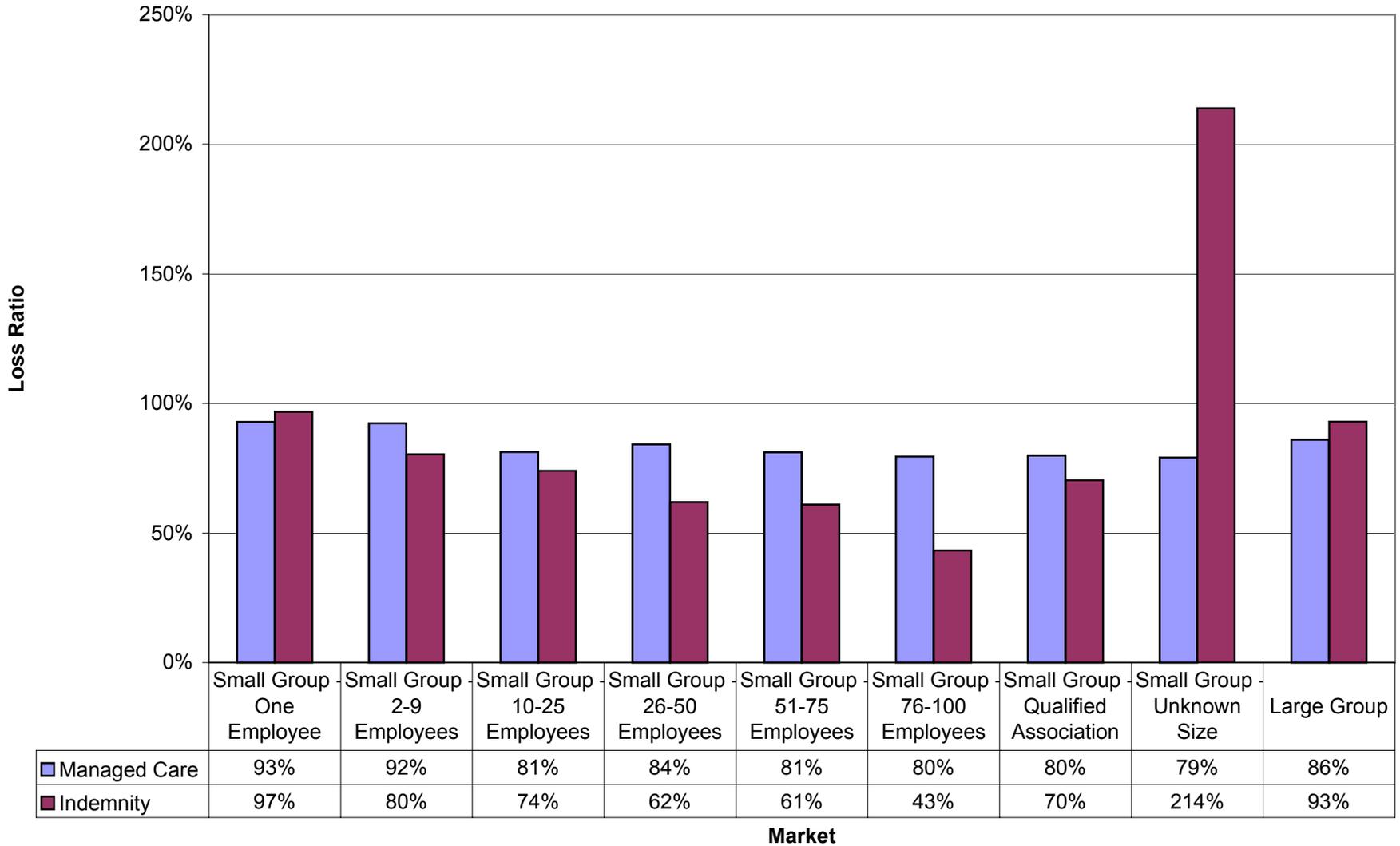
# Statewide Market Distribution

Market	Covered Lives	Premium (000)	Claims (000)	PMPM	Proportion of Lives	Loss Ratio
Individual	929	2,028	592	181.90	0%	29%
Group Conversion	939	2,810	2,112	249.34	0%	75%
Small Group	181,733	408,911	338,237	187.51	35%	83%
Large Group	337,751	808,680	714,667	199.53	65%	88%
Medicaid	6,292	12,616	7,649	167.10	1%	61%
Medicare Related	5,677	10,464	9,202	153.61	1%	88%
TOTAL	533,321	1,245,510	1,072,458	194.62	102%	86%

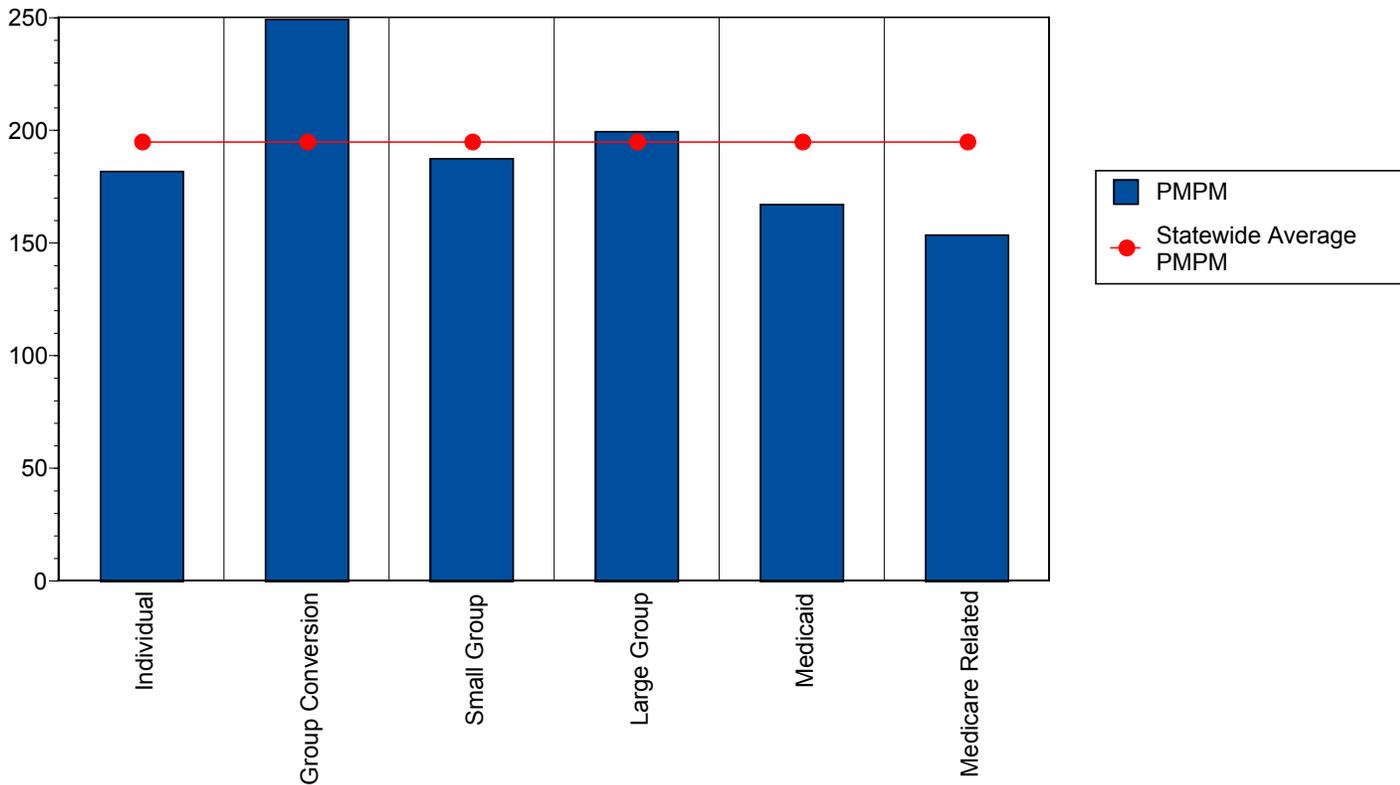
# Statewide Market Summary

Market	Covered Lives	Premium (000)	Claims (000)	Loss Ratio	PMPM
Individual	929	2,028	592	29%	181.90
Group Conversion	939	2,810	2,112	75%	249.34
Small Group - One Employee	7,922	20,687	19,272	93%	217.61
Small Group - 2-9 Employees	32,477	65,465	59,773	91%	167.98
Small Group - 10-25 Employees	29,119	61,890	50,068	81%	177.12
Small Group - 26-50 Employees	25,449	53,754	45,091	84%	176.02
Small Group - 51-75 Employees	13,956	32,097	25,809	80%	191.66
Small Group - 76-100 Employees	8,327	18,134	14,223	78%	181.48
Small Group - Qualified Association Trust	8,040	19,602	15,307	78%	203.17
Small Group - Unknown Size	56,443	137,283	108,693	79%	202.69
Large Group	337,751	808,680	714,667	88%	199.53
Medicaid	6,292	12,616	7,649	61%	167.10
Medicare Related	5,677	10,464	9,202	88%	153.61
Total	533,321	1,245,510	1,072,458	86%	194.62

### Group Market Loss Ratio



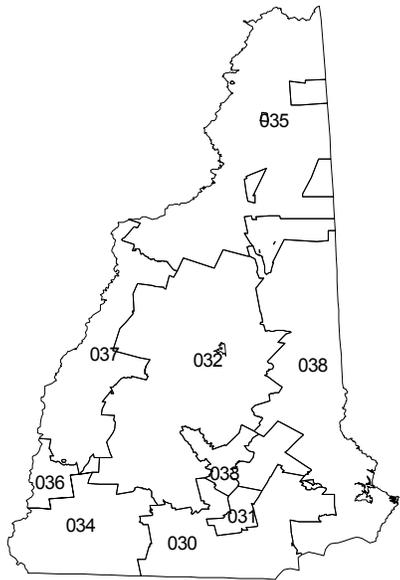
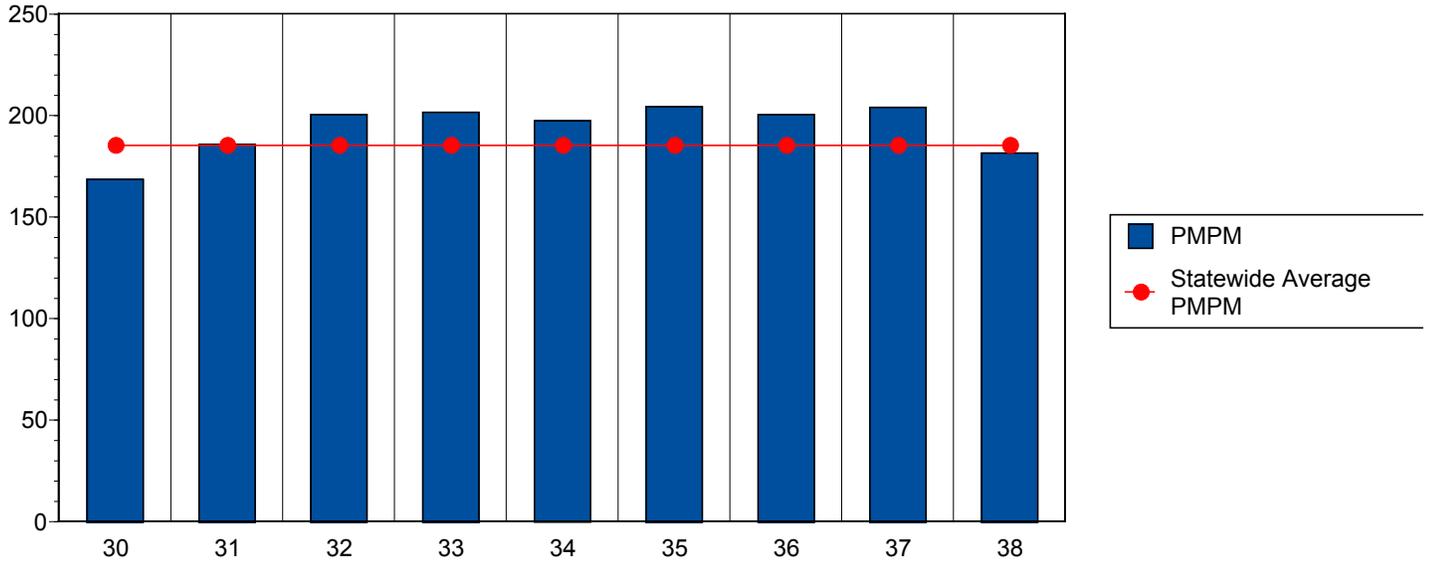
## Premiums Per Member Per Month (PMPM) by Market Category



Market	PMPM
Individual	181.9
Group Conversion	249.34
Small Group	187.51
Large Group	199.53
Medicaid	167.1
Medicare Related	153.61

Statewide Average PMPM 194.62

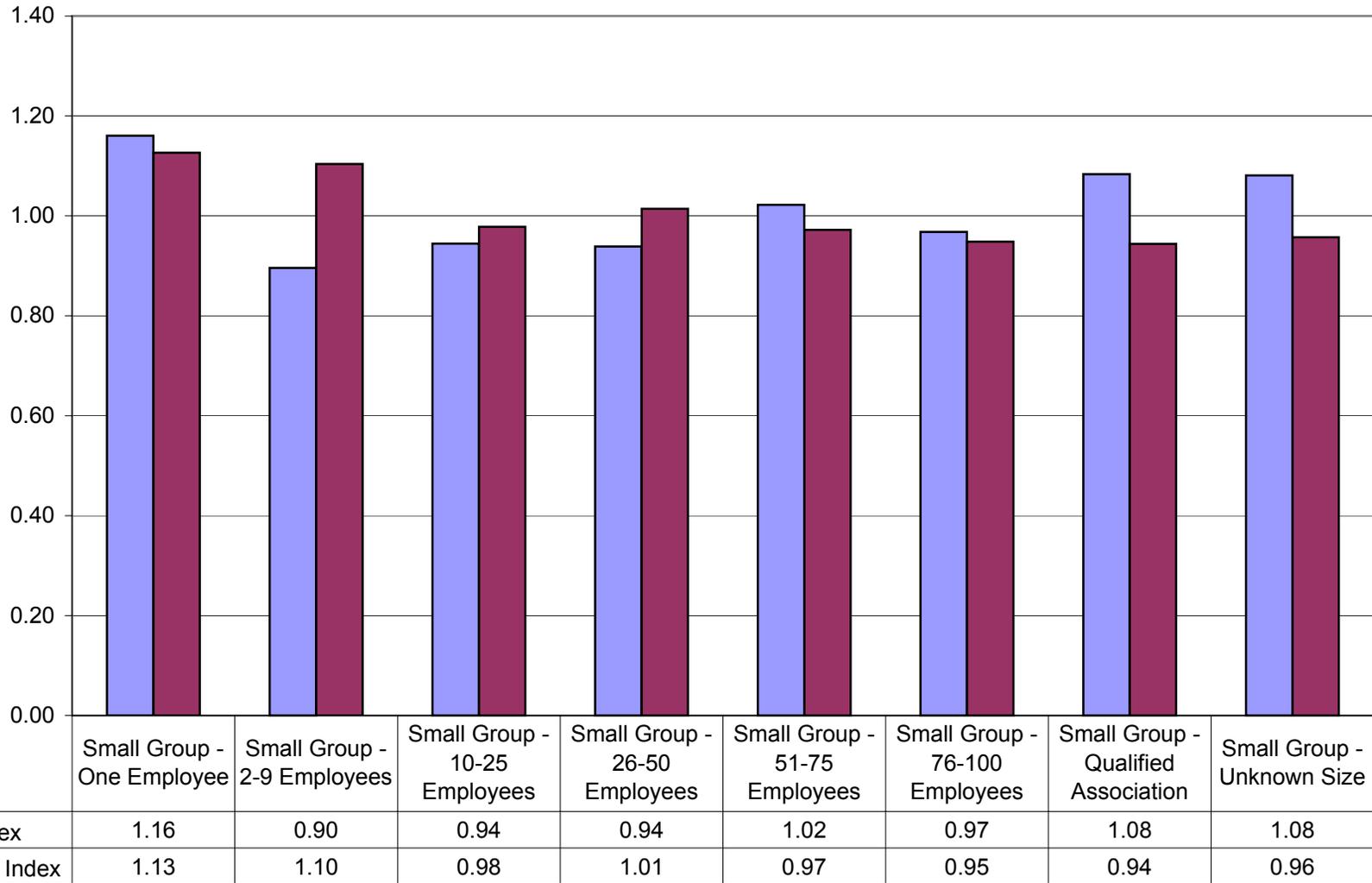
# Premium Per Member Per Month (PMPM) Small Group by Geographic Area



Zip	PMPM
30	168.66
31	185.91
32	200.58
33	201.76
34	197.51
35	204.54
36	200.55
37	204.17
38	181.73

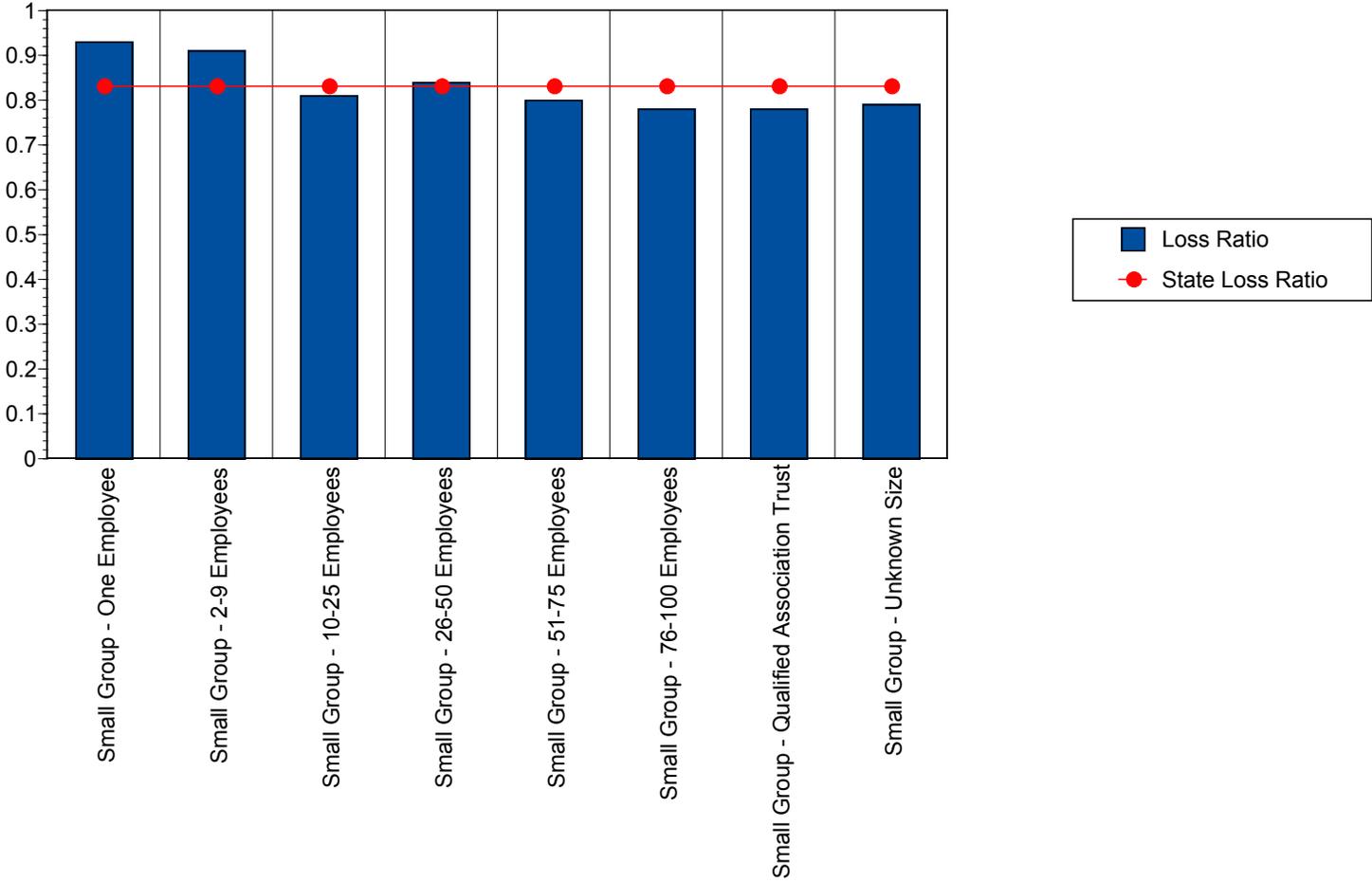
Statewide Average PMPM 185.10

### PMPM and Loss Ratio Indices Relative To State Average by Small Group Market

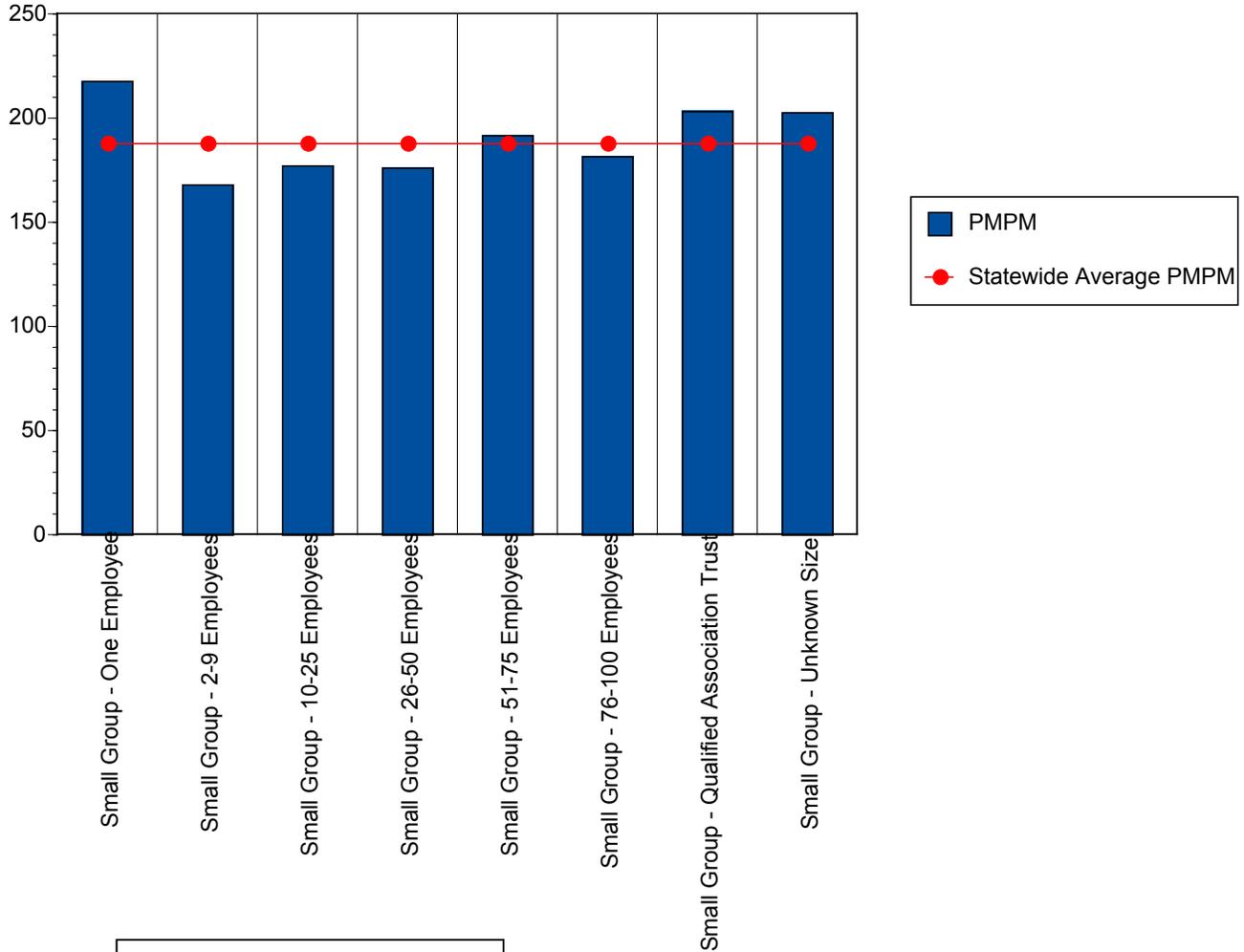


**Market**

# State Wide Distribution of Loss Ratios by Small Group Market



# Premium Per Member Per Month (PMPM) Small Group by Group Size

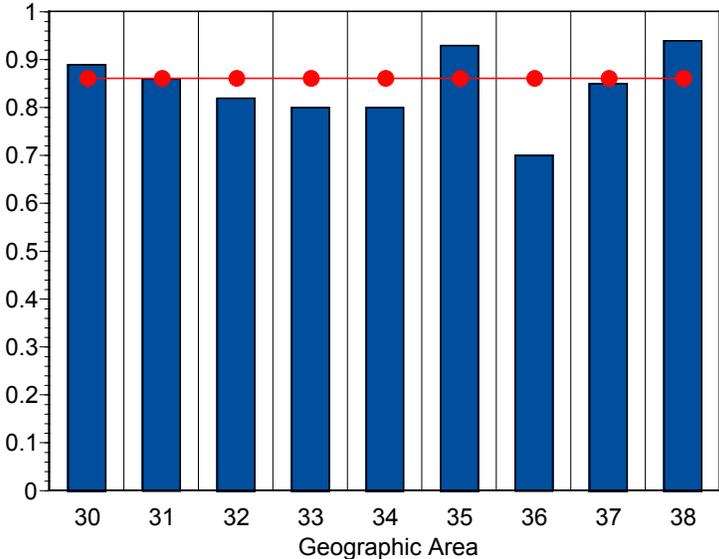


Market	PMPM
Small Group - One Employee	217.61
Small Group - 2-9 Employees	167.98
Small Group - 10-25 Employees	177.12
Small Group - 26-50 Employees	176.02
Small Group - 51-75 Employees	191.66
Small Group - 76-100 Employees	181.48
Small Group - Qualified Association Trust	203.17
Small Group - Unknown Size	202.69

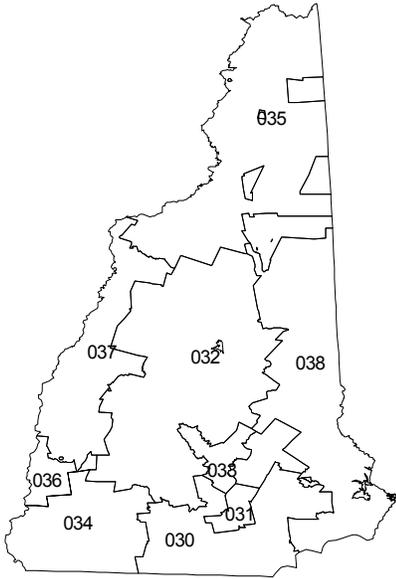
Statewide Average Premium 187.51

# Loss Ratios by Area

## All Group

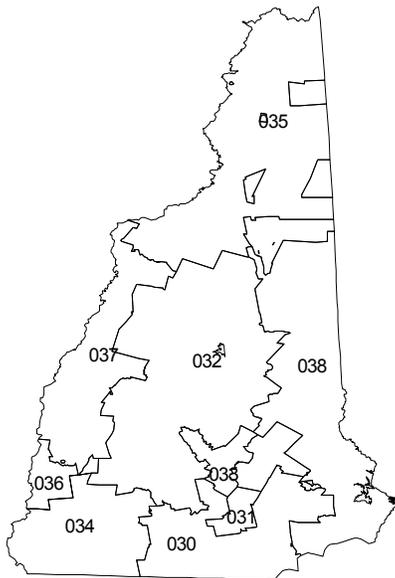
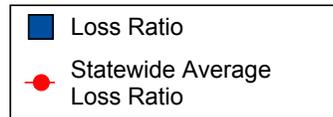
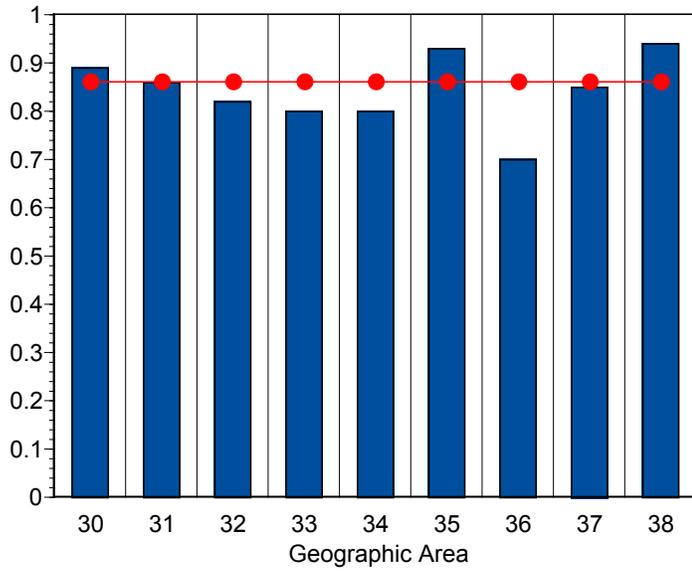


Zip	Loss Ratio
30	89%
31	86%
32	82%
33	80%
34	80%
35	93%
36	70%
37	85%
38	94%



Statewide Average Loss Ratio 86%

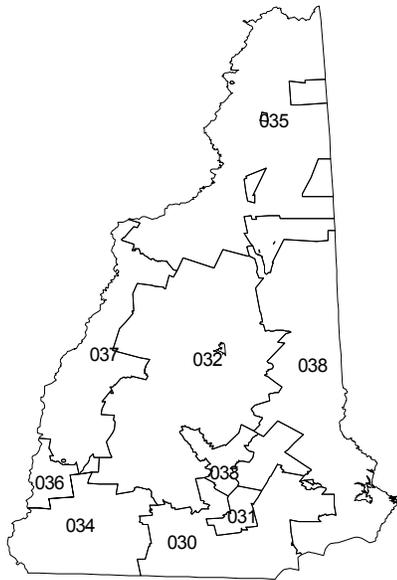
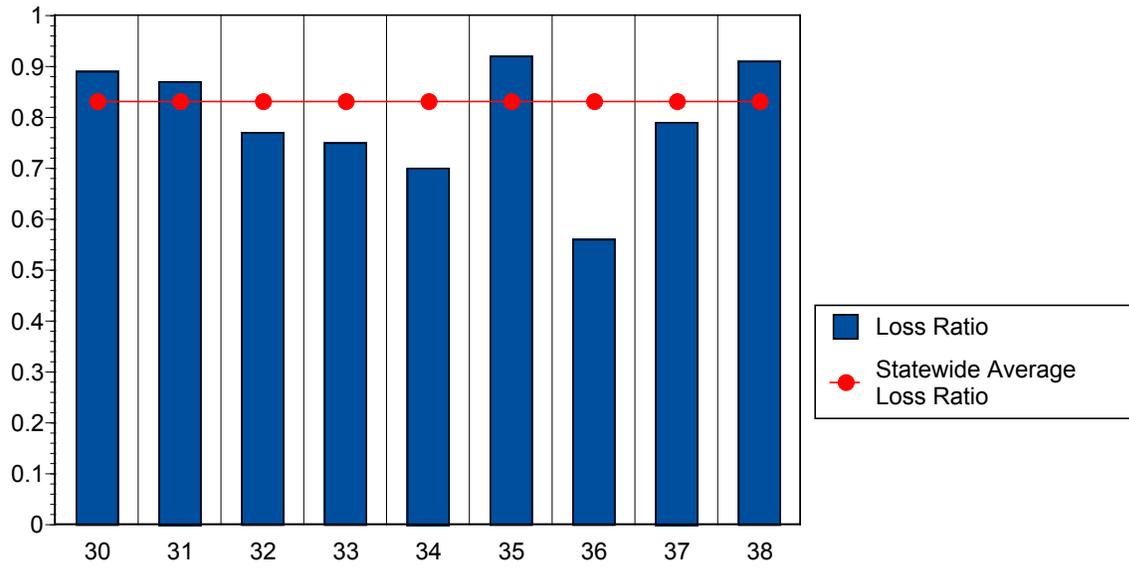
# Loss Ratios by Area Large Group



Loss Ratio	
30	89%
31	86%
32	85%
33	82%
34	84%
35	93%
36	80%
37	86%
38	96%

Statewide Average Loss Ratio 88%

# Loss Ratios by Area Small Group



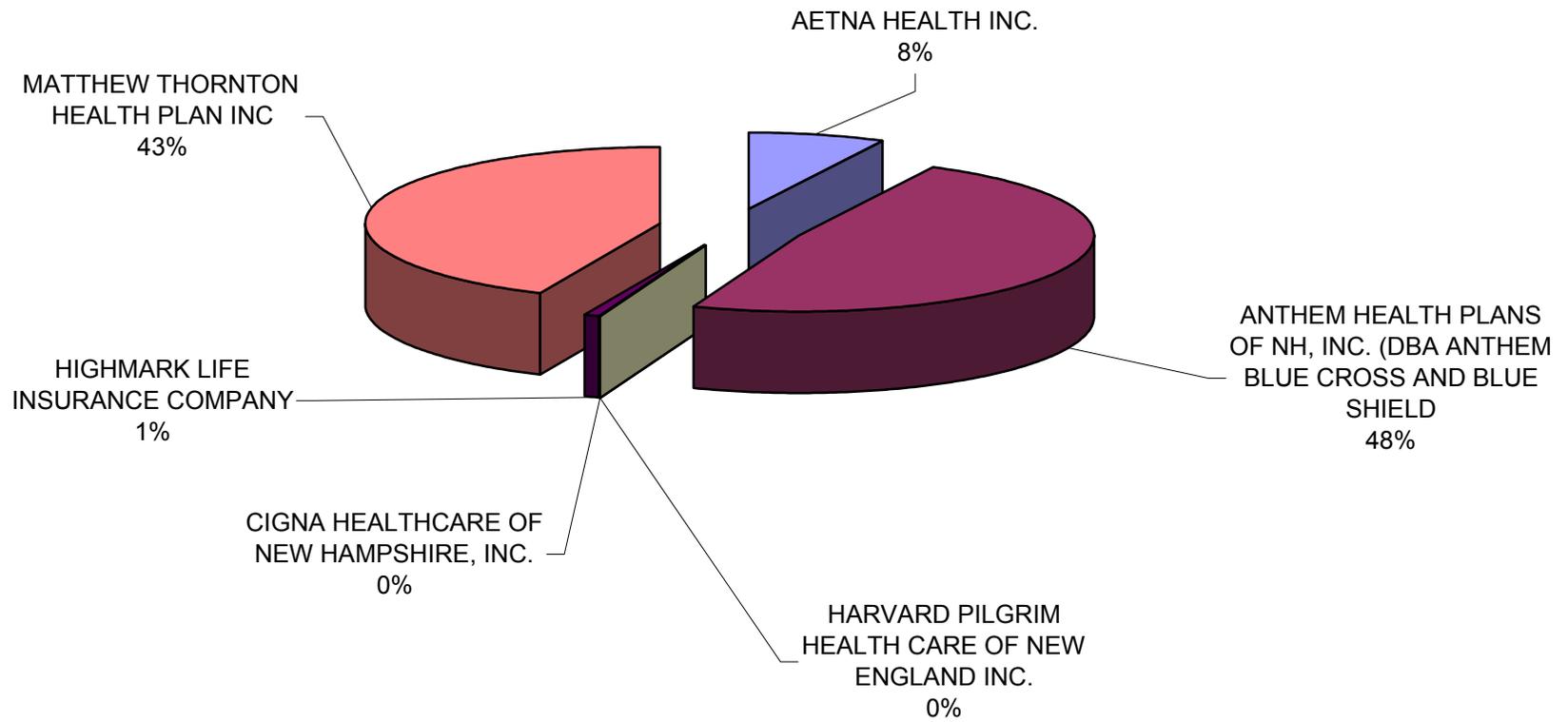
Zip	Loss Ratio
30	89%
31	87%
32	77%
33	75%
34	70%
35	92%
36	56%
37	79%
38	91%

Statewide Average Loss Ratio 83%

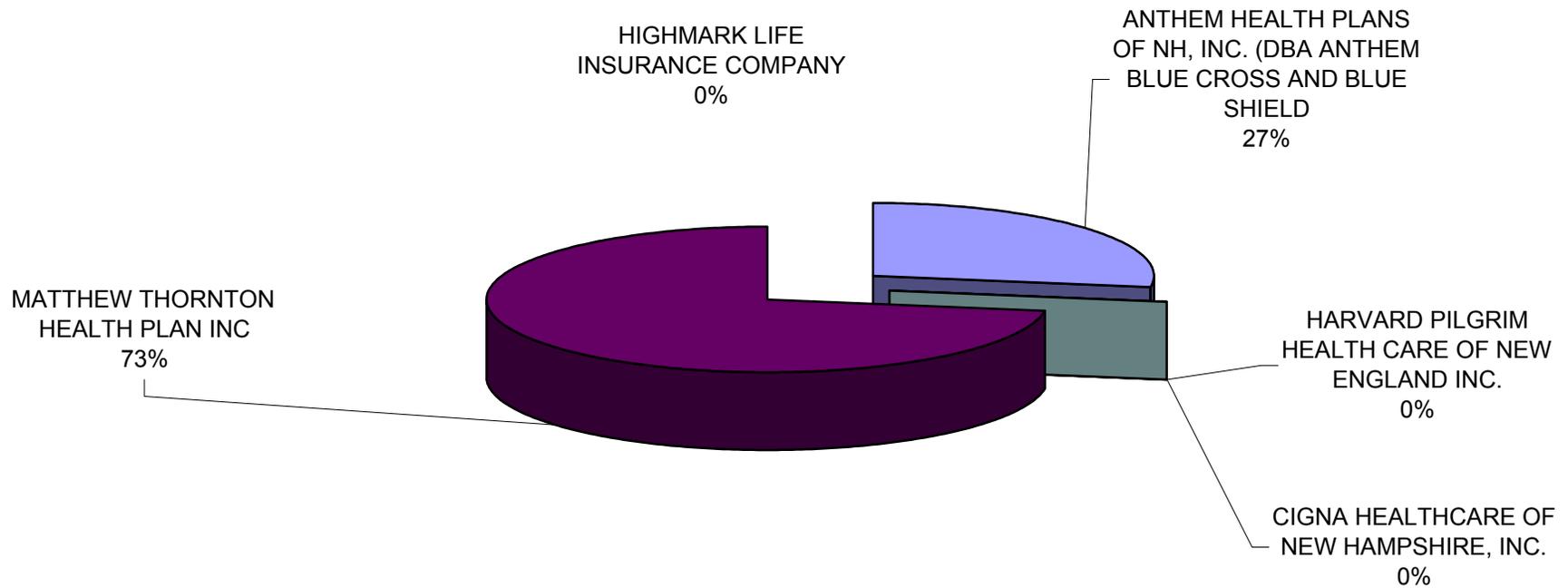
## Statewide Distribution by Type of Coverage

Carrier	Administrative Services Only without Stop Loss	Administrative Services Only with Stop Loss	Managed Care	Indemnity
AETNA HEALTH INC.	5,748		23,806	
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD	36,841	10,262	4,123	8,075
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.			161,691	
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.			20,298	
HIGHMARK LIFE INSURANCE COMPANY	551			
MATTHEW THORNTON HEALTH PLAN INC	33,073	27,138	189,746	

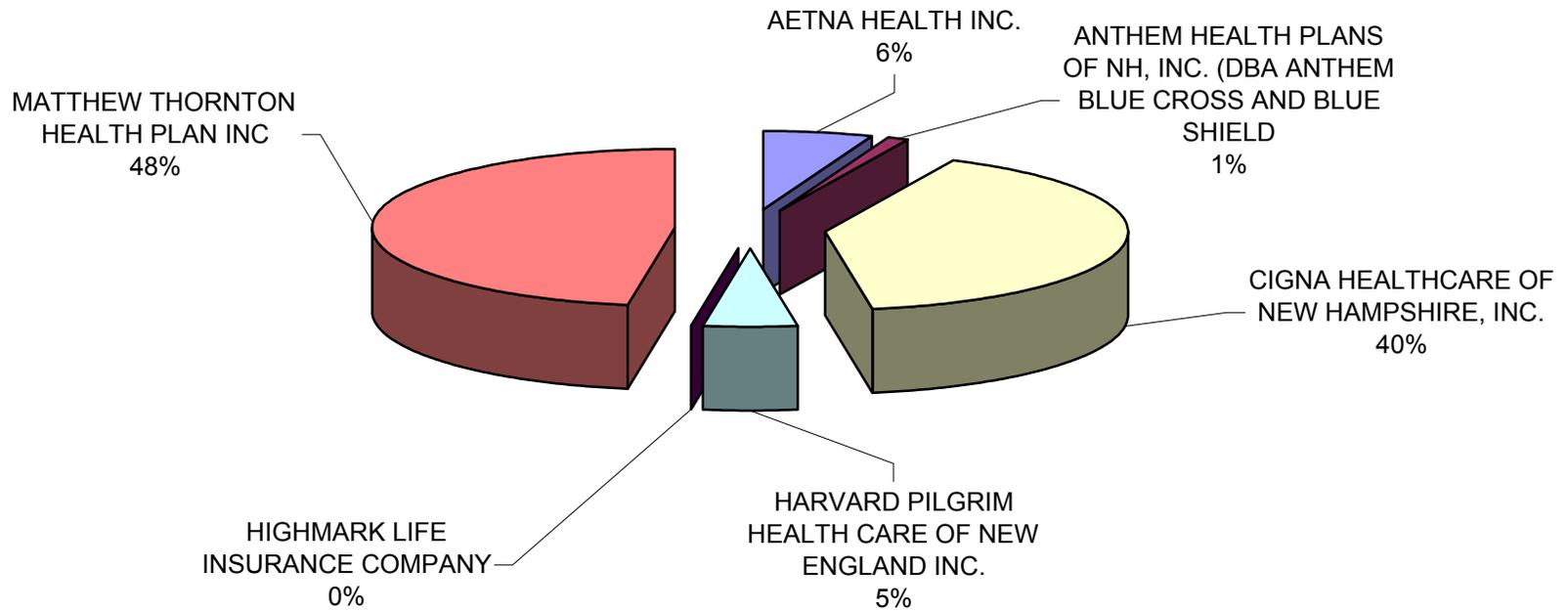
**Statewide Distribution  
Administrative Services Only without Stop Loss**



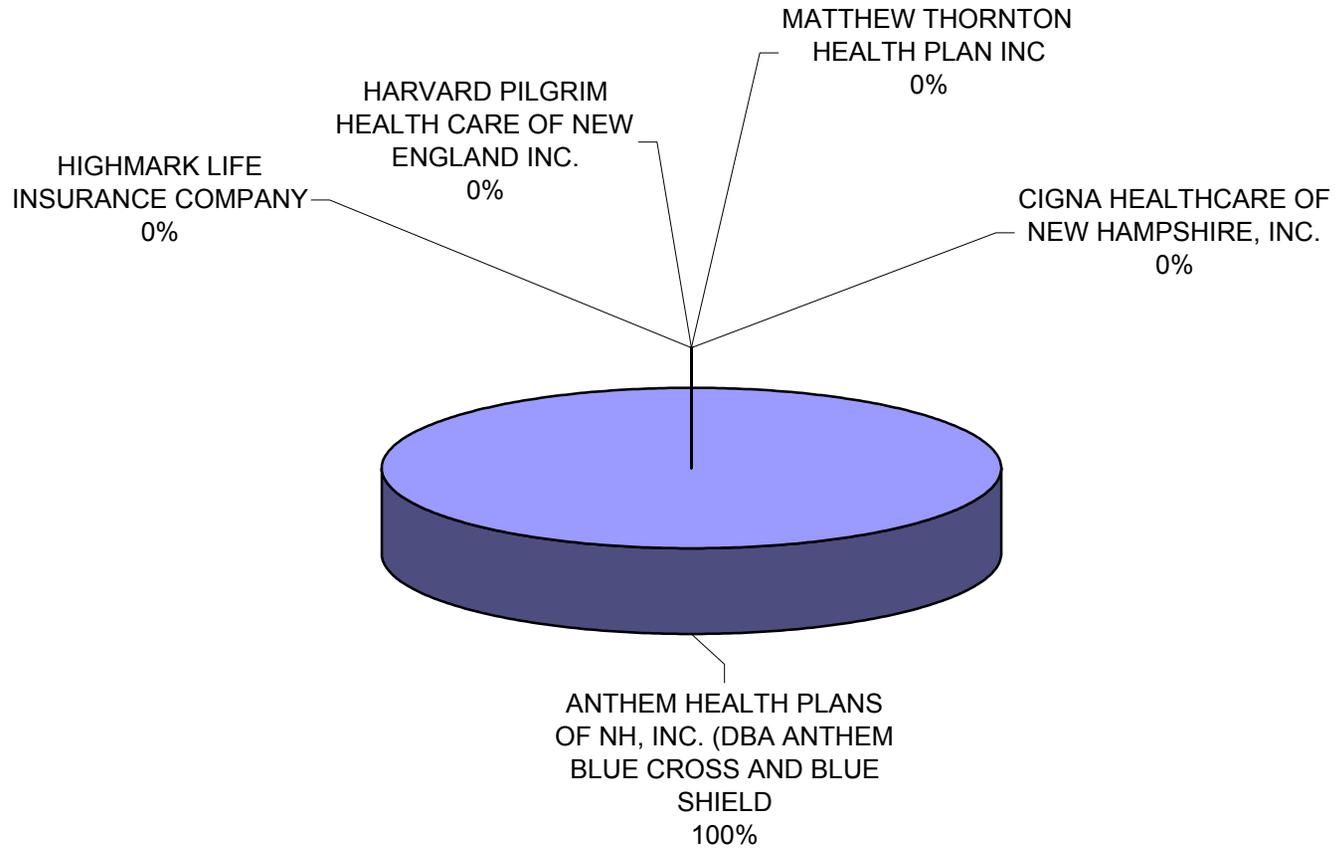
**Statewide Distribution  
Administrative Services Only with Stop Loss**



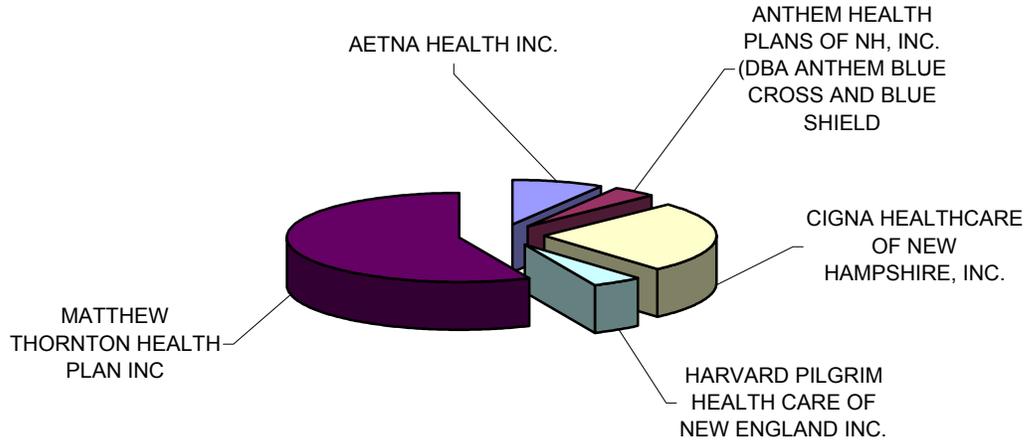
### Statewide Distribution Managed Care



### Statewide Distribution Indemnity



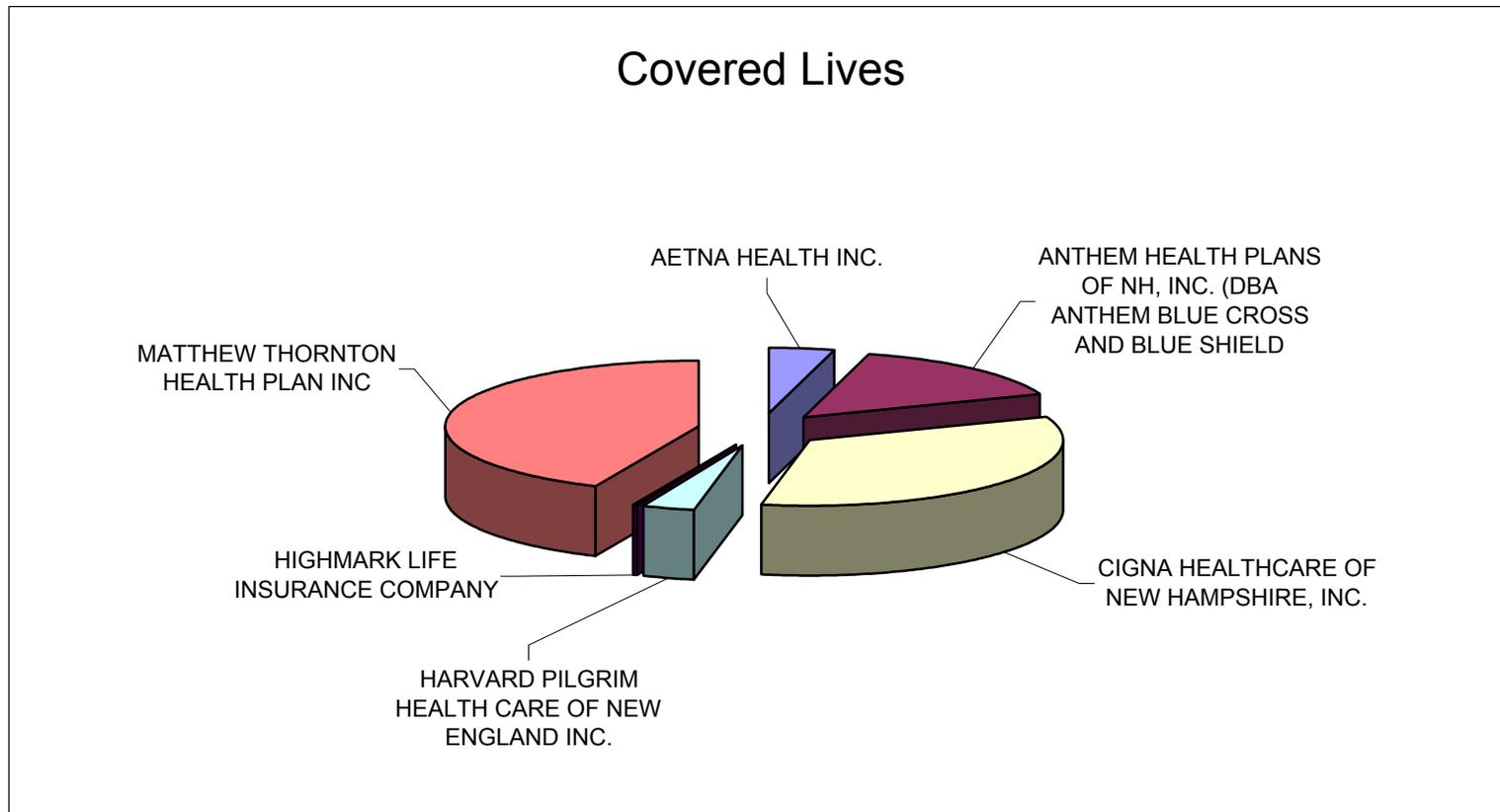
## NH Small Group Market Share - 2001



Company	Covered Lives	Market Share
AETNA HEALTH INC.	15746	9%
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	7418	4%
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	47320	26%
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	8628	5%
MATTHEW THORNTON HEALTH PLAN INC	103019	57%

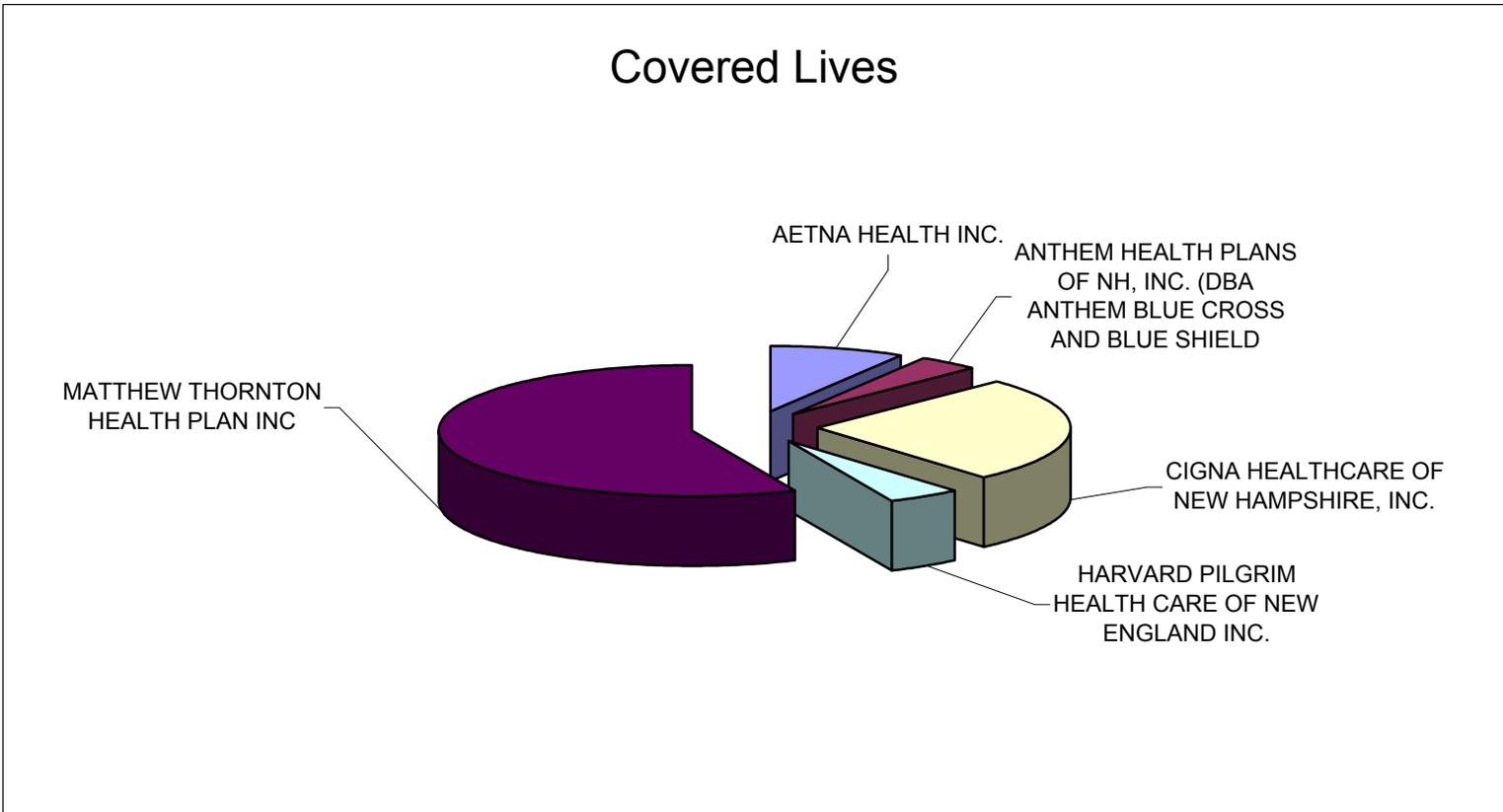
## Statewide Market Share by Company Large Group

Company Name	Covered Lives
AETNA HEALTH INC.	13,808
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD	51,213
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	114,153
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	11,270
HIGHMARK LIFE INSURANCE COMPANY	551
MATTHEW THORNTON HEALTH PLAN INC	146,756



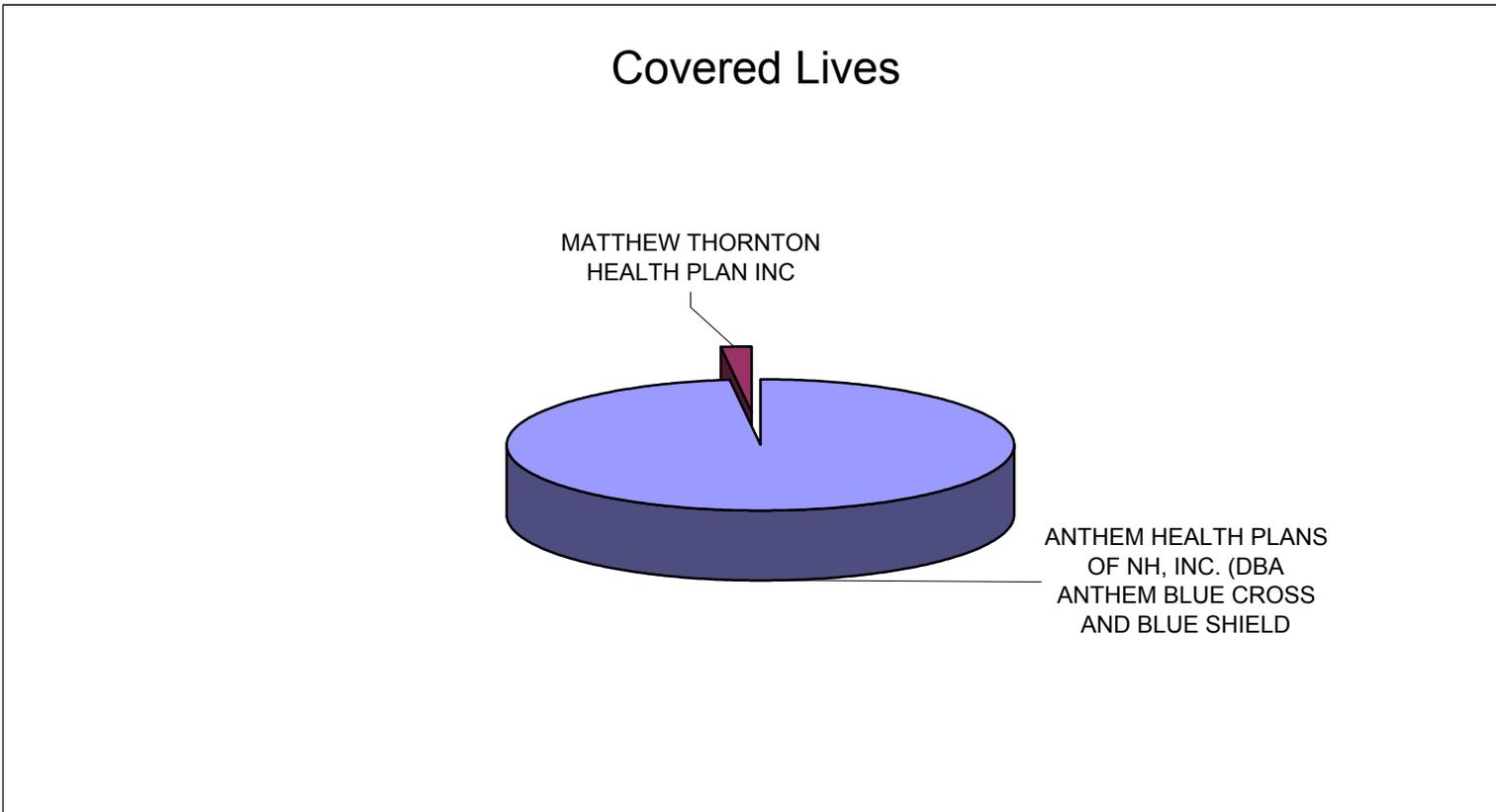
## Statewide Market Share by Company Small Group

Company Name	Covered Lives
AETNA HEALTH INC.	15,746
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	7,020
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	47,320
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	8,628
MATTHEW THORNTON HEALTH PLAN INC	103,019



## Statewide Market Share by Company Individual Market

Company Name	Covered Lives
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	911
MATTHEW THORNTON HEALTH PLAN INC	18

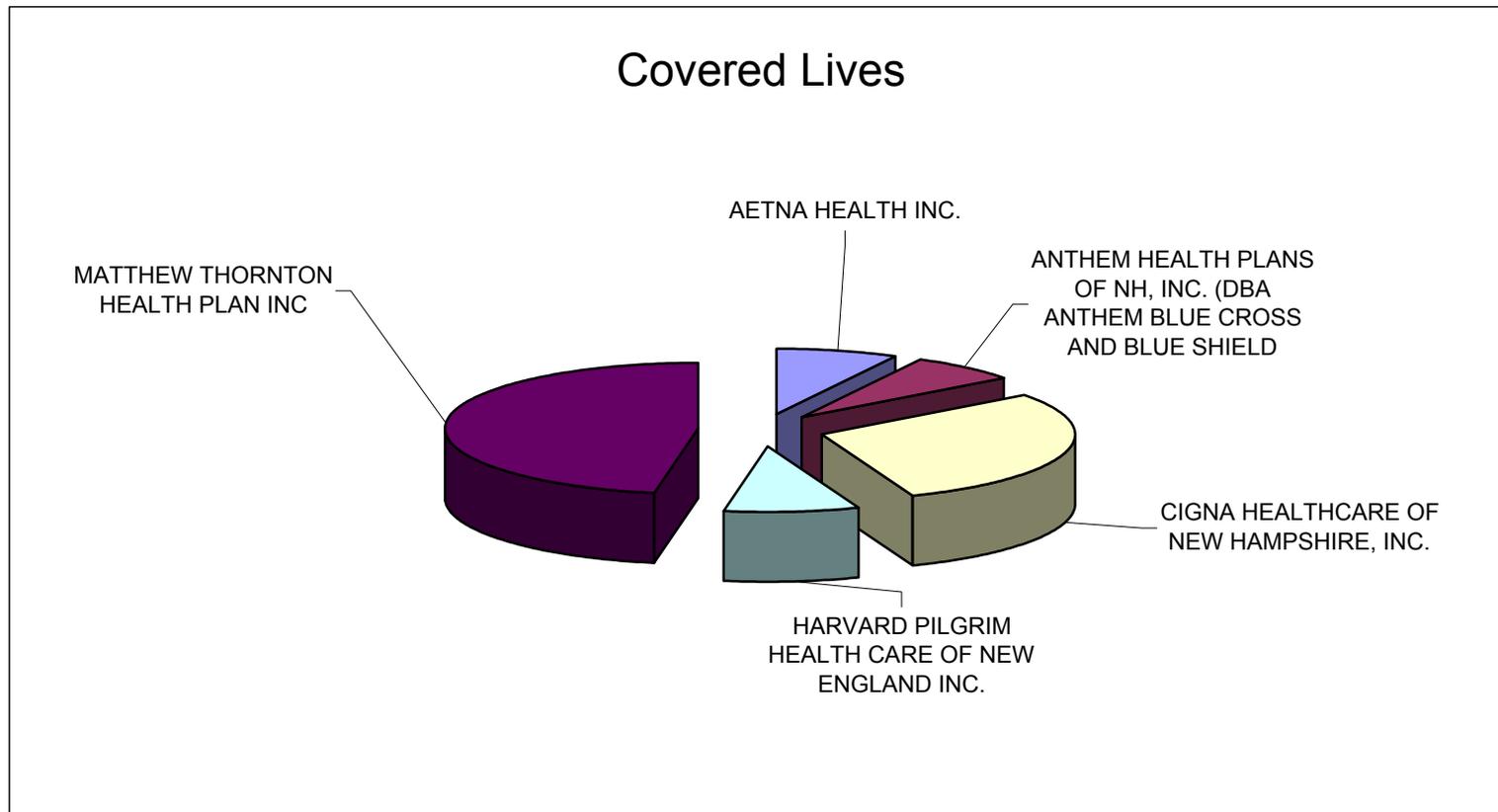
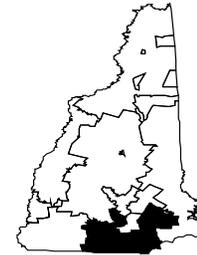


# Statewide Market Share by Company

## Large Group

### Zip Area 030

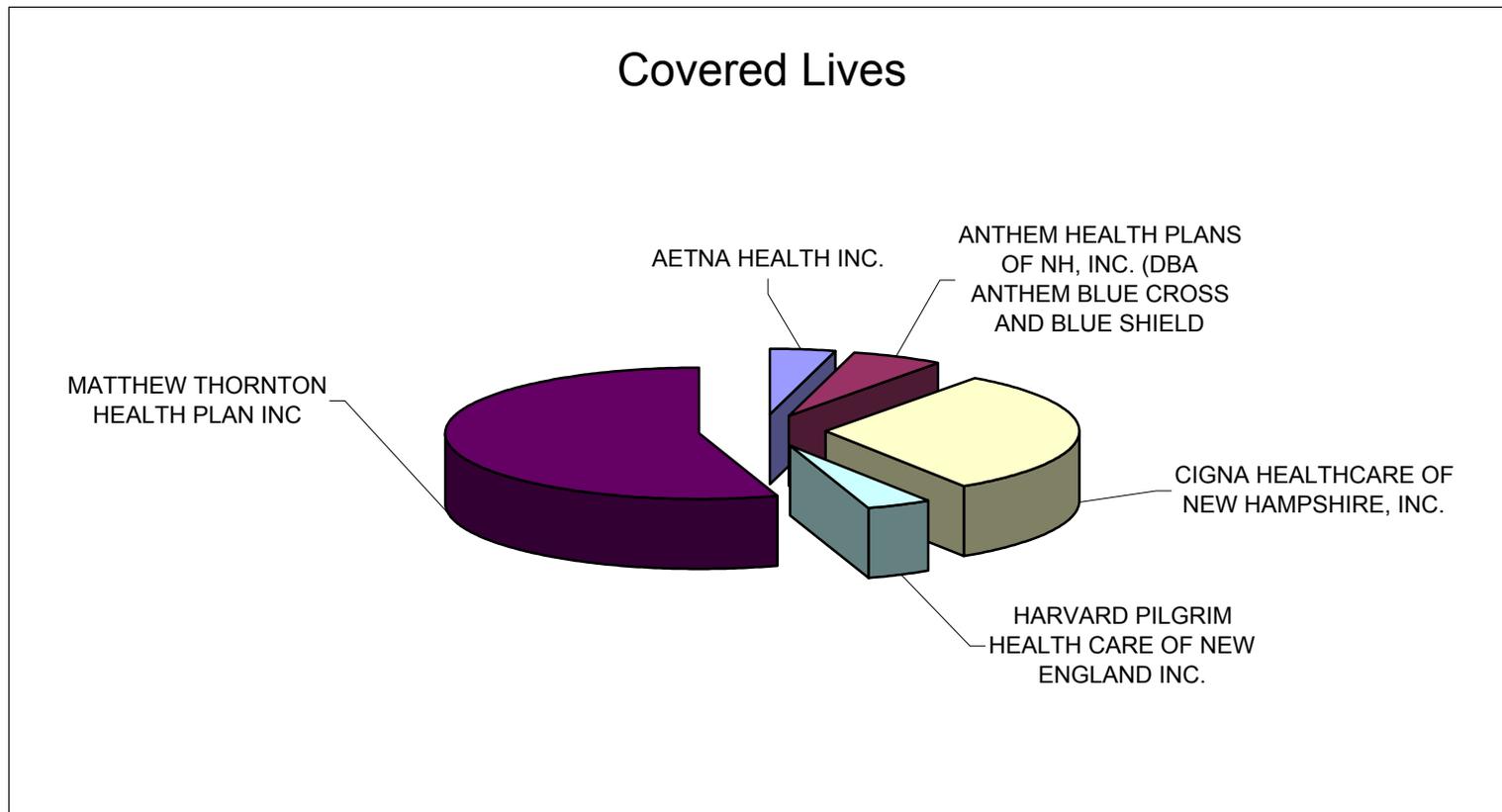
Company Name	Covered Lives
AETNA HEALTH INC.	6,290
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	5,671
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	23,914
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	6,959
MATTHEW THORNTON HEALTH PLAN INC	38,277



# Statewide Market Share by Company

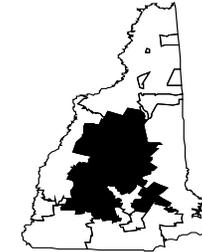
## Large Group Zip Area 031

Company Name	Covered Lives
AETNA HEALTH INC.	1,407
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	2,029
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	10,643
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	1,427
MATTHEW THORNTON HEALTH PLAN INC	18,919

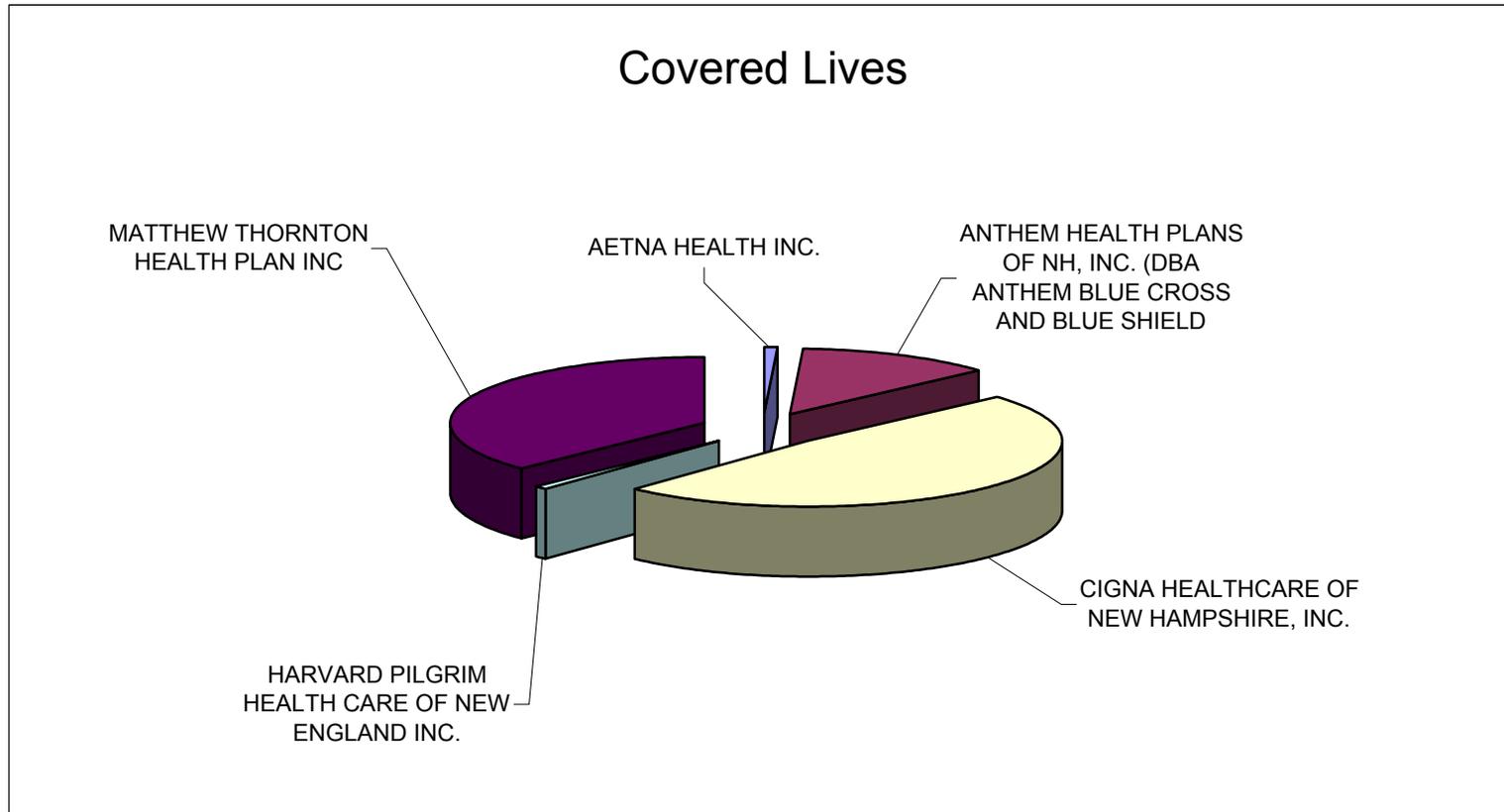


# Statewide Market Share by Company

## Large Group Zip Area 032



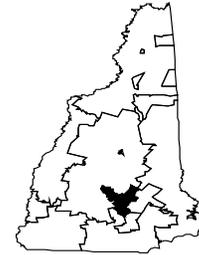
Company Name	Covered Lives
AETNA HEALTH INC.	473
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	6,482
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	25,095
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	408
MATTHEW THORNTON HEALTH PLAN INC	19,249



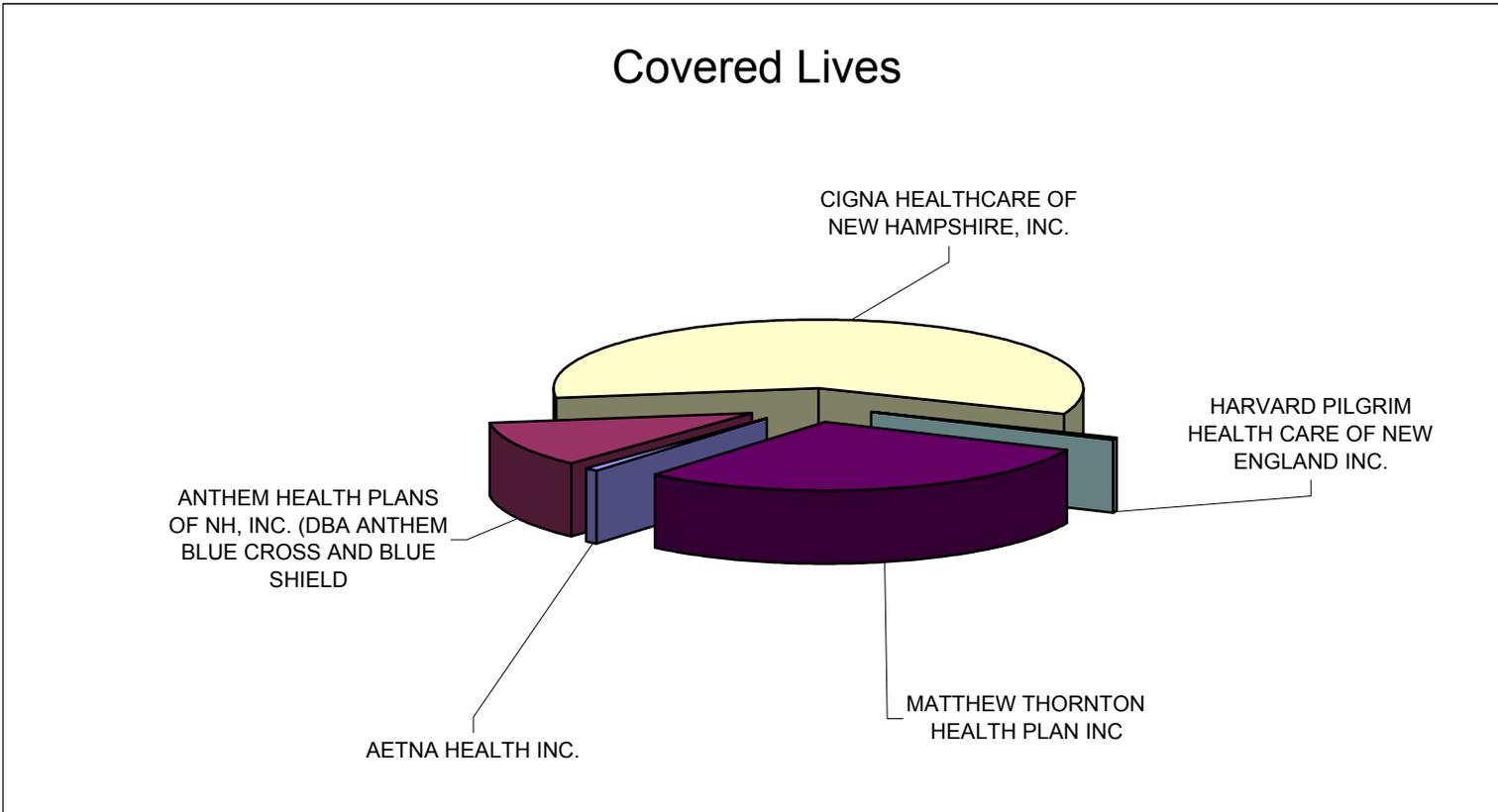
# Statewide Market Share by Company

## Large Group

### Zip Area 033



Company Name	Covered Lives
AETNA HEALTH INC.	175
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	2,244
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	12,016
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	170
MATTHEW THORNTON HEALTH PLAN INC	6,056



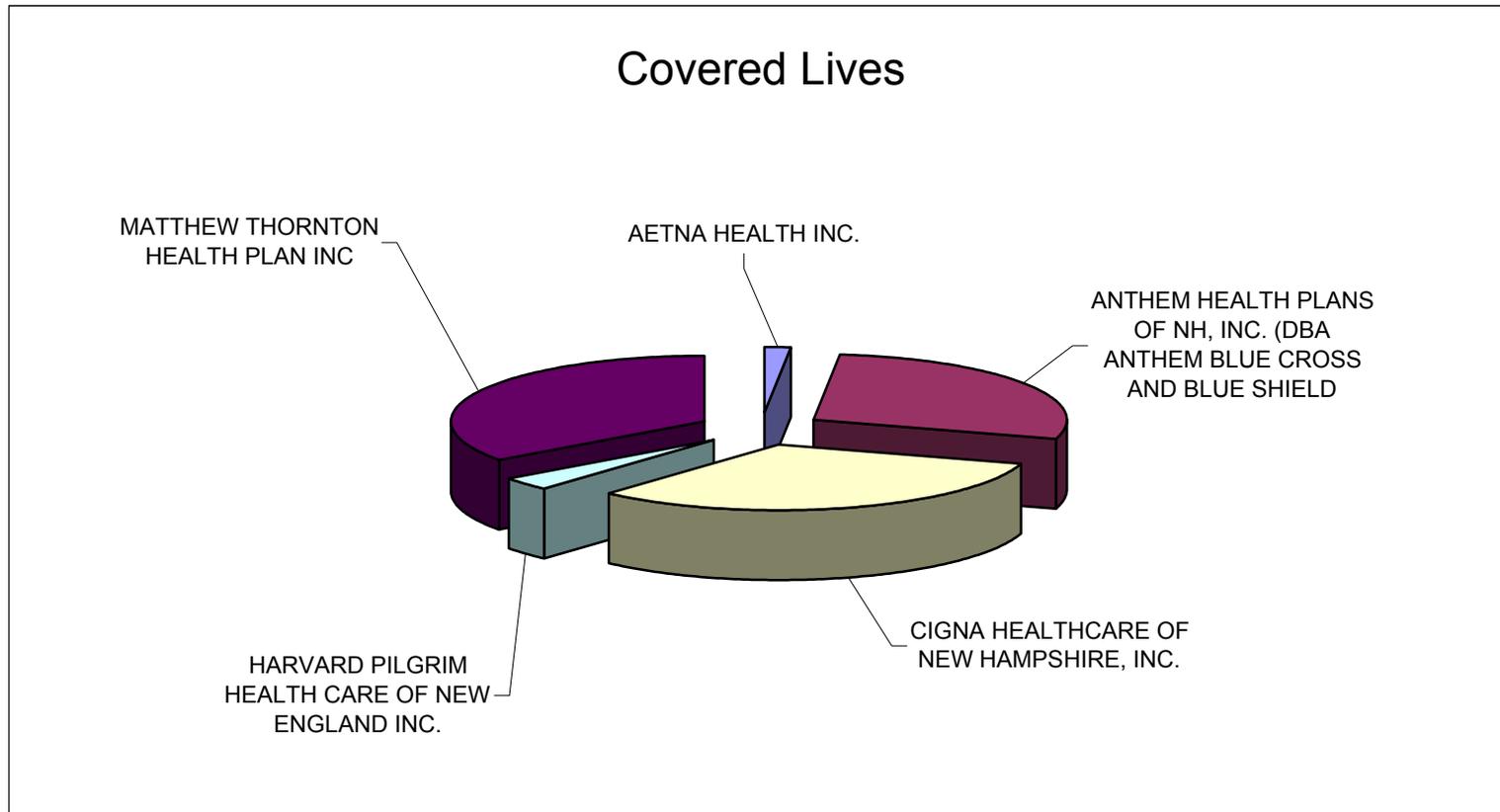
# Statewide Market Share by Company

## Large Group

### Zip Area 034



Company Name	Covered Lives
AETNA HEALTH INC.	347
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	5,793
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	6,565
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	691
MATTHEW THORNTON HEALTH PLAN INC	7,221



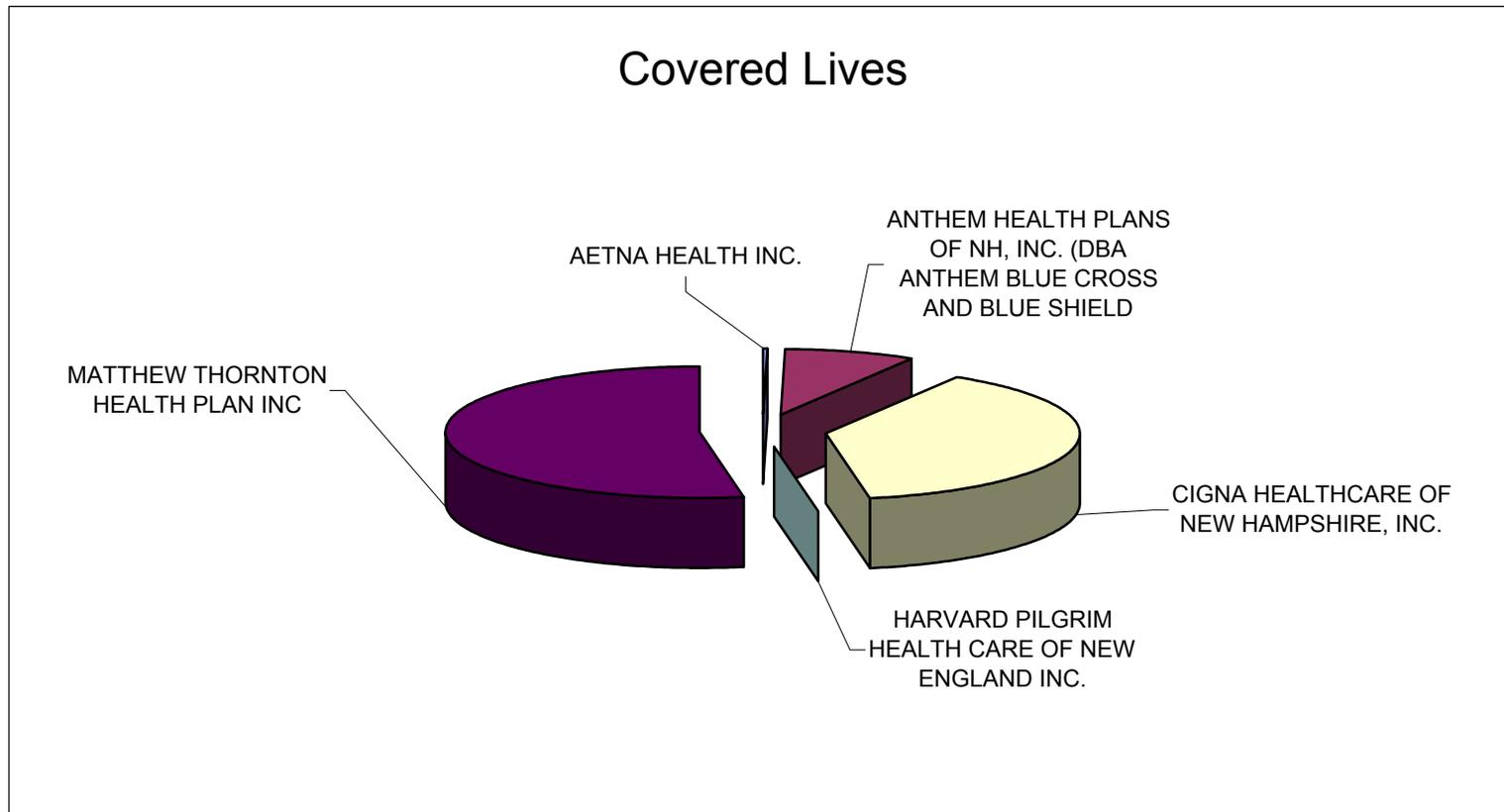
# Statewide Market Share by Company

## Large Group

### Zip Area 035



Company Name	Covered Lives
AETNA HEALTH INC.	22
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	1,014
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	4,687
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	-
MATTHEW THORNTON HEALTH PLAN INC	6,429

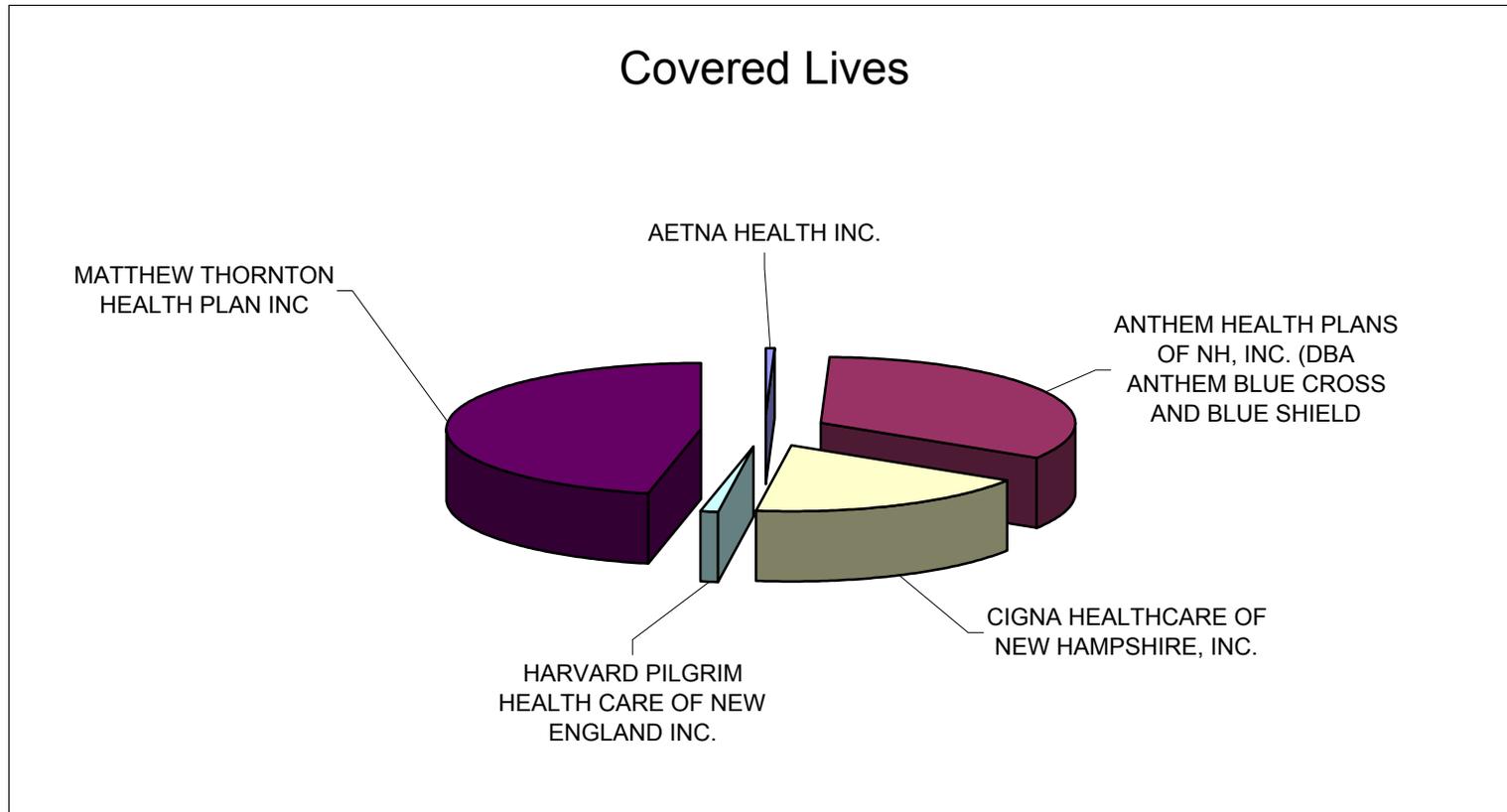
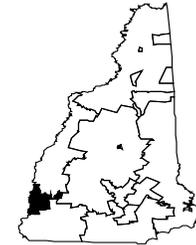


# Statewide Market Share by Company

## Large Group

### Zip Area 036

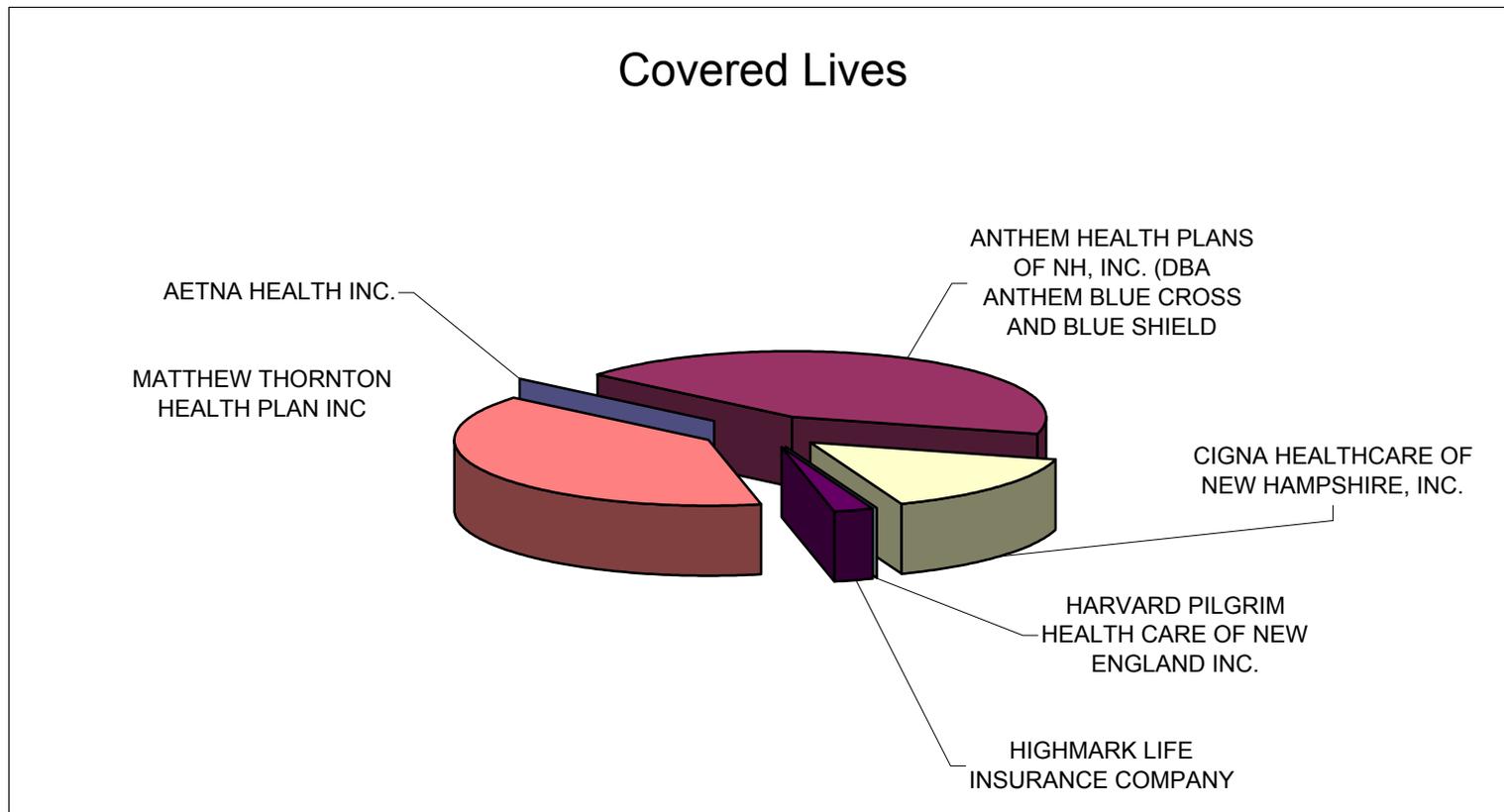
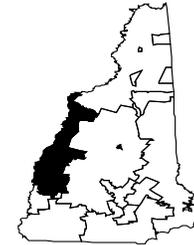
Company Name	Covered Lives
AETNA HEALTH INC.	15
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	746
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	416
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	24
MATTHEW THORNTON HEALTH PLAN INC	1,049



# Statewide Market Share by Company

## Large Group Zip Area 037

Company Name	Covered Lives
AETNA HEALTH INC.	29
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	9,504
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	3,357
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	15
HIGHMARK LIFE INSURANCE COMPANY	551
MATTHEW THORNTON HEALTH PLAN INC	8,723

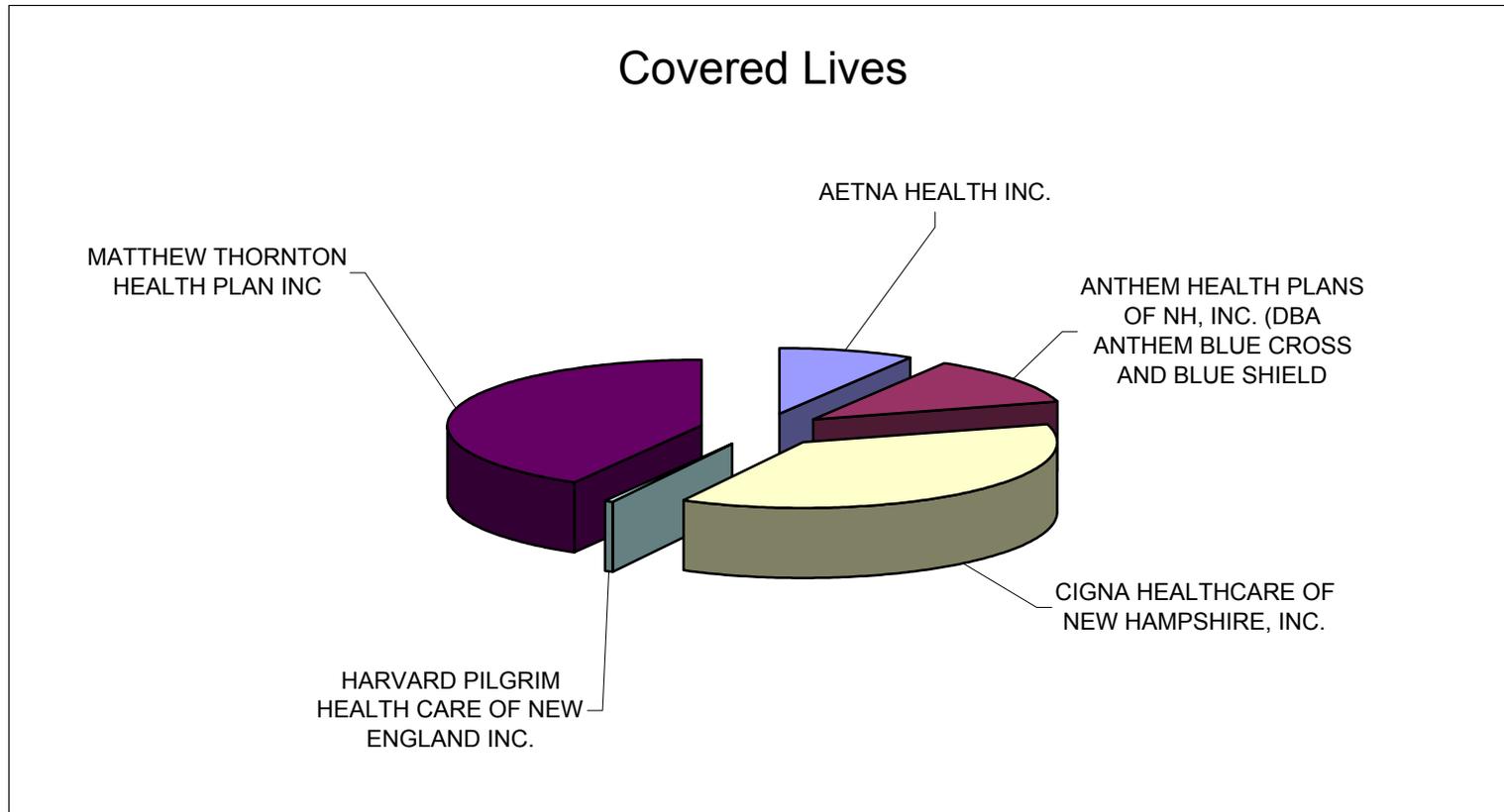
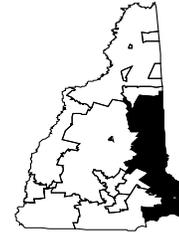


# Statewide Market Share by Company

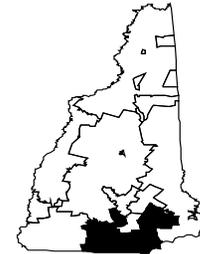
## Large Group

### Zip Area 038

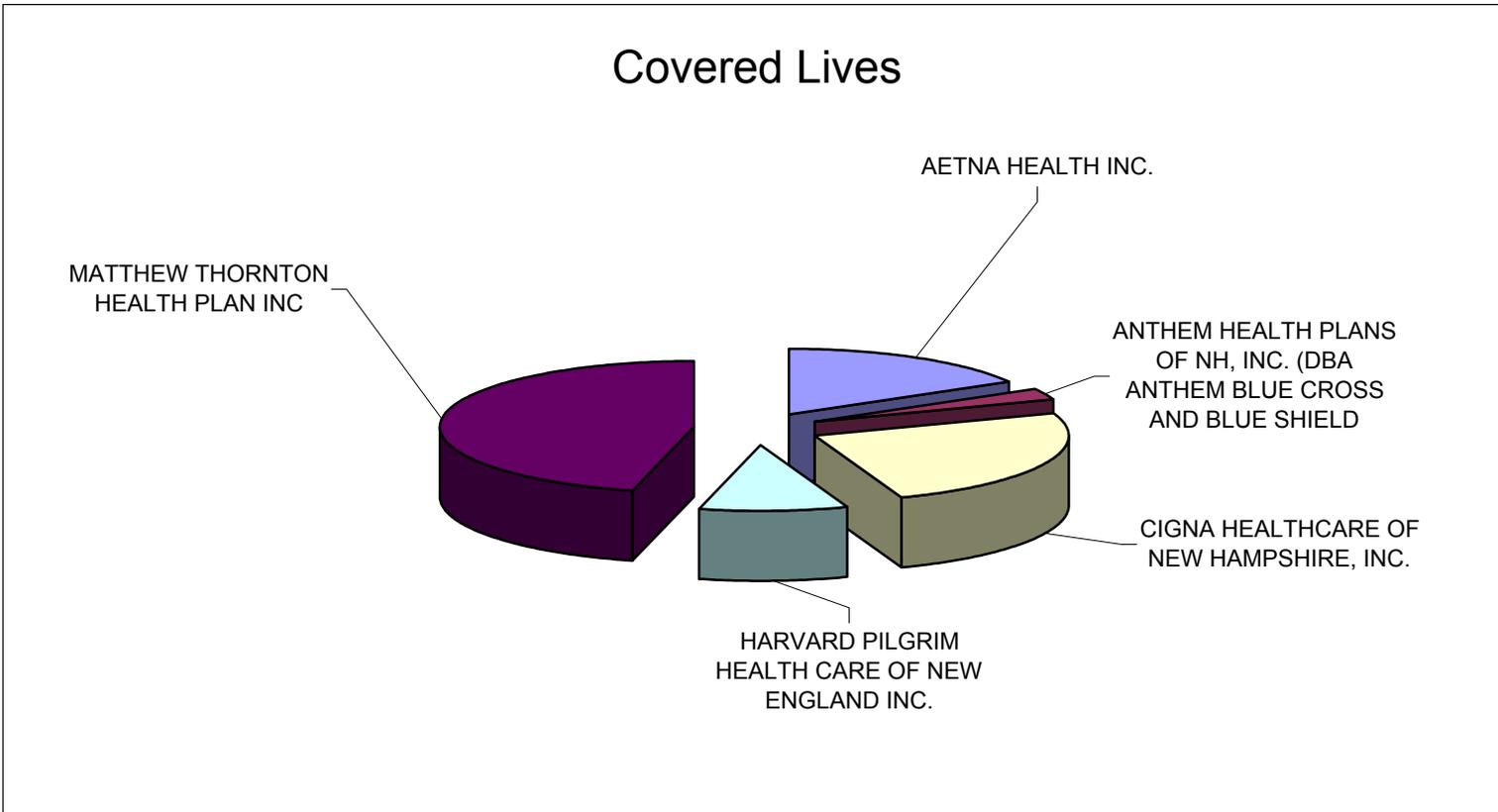
Company Name	Covered Lives
AETNA HEALTH INC.	4,976
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	6,986
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	21,544
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	286
MATTHEW THORNTON HEALTH PLAN INC	24,150



# Statewide Market Share by Company Small Group Zip Area 030



Company Name	Covered Lives
AETNA HEALTH INC.	7,912
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	1,325
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	11,981
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	4,435
MATTHEW THORNTON HEALTH PLAN INC	21,978

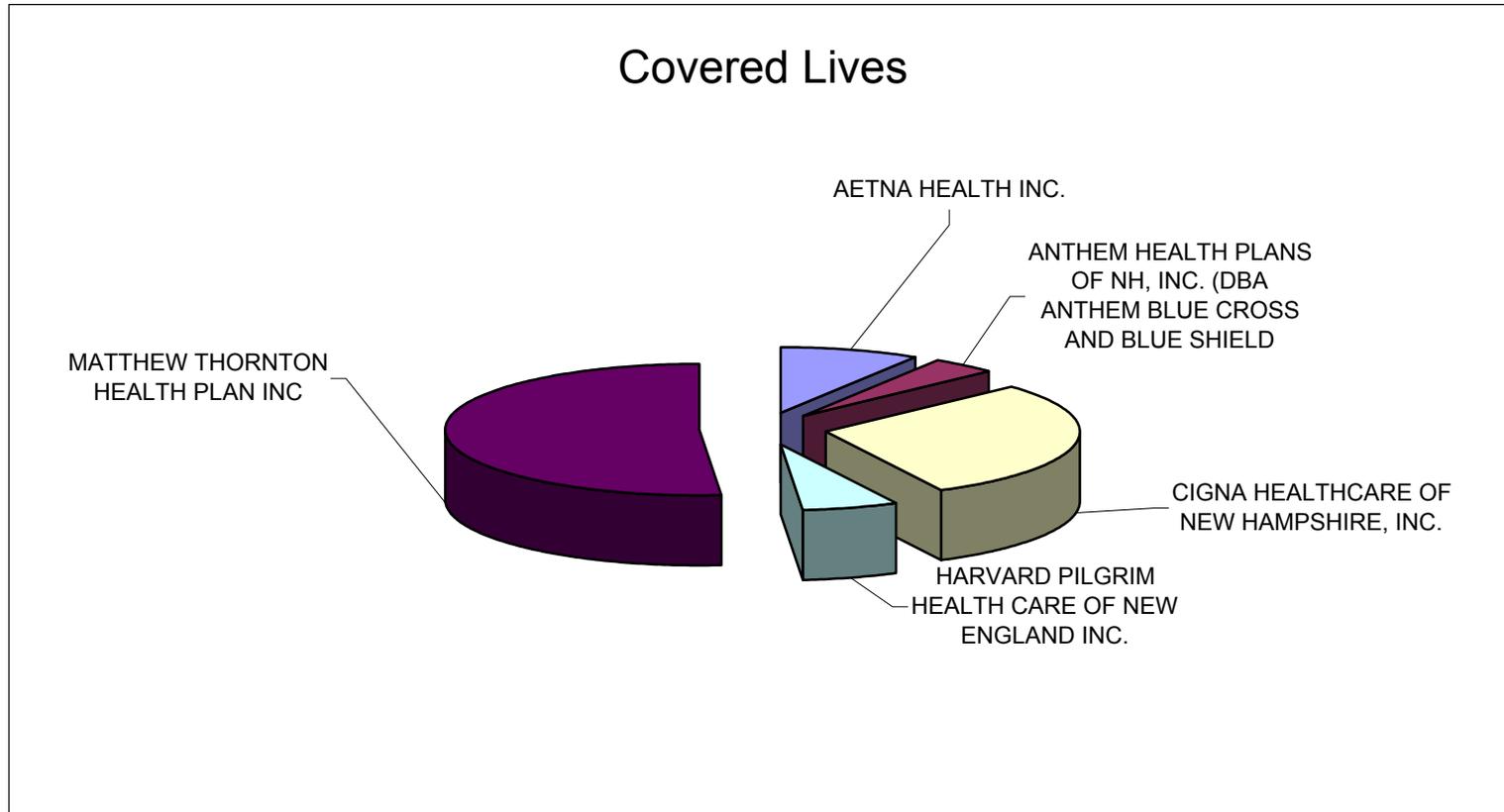
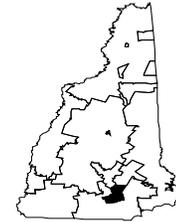


# Statewide Market Share by Company

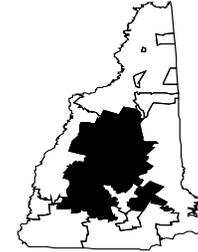
## Small Group

### Zip Area 031

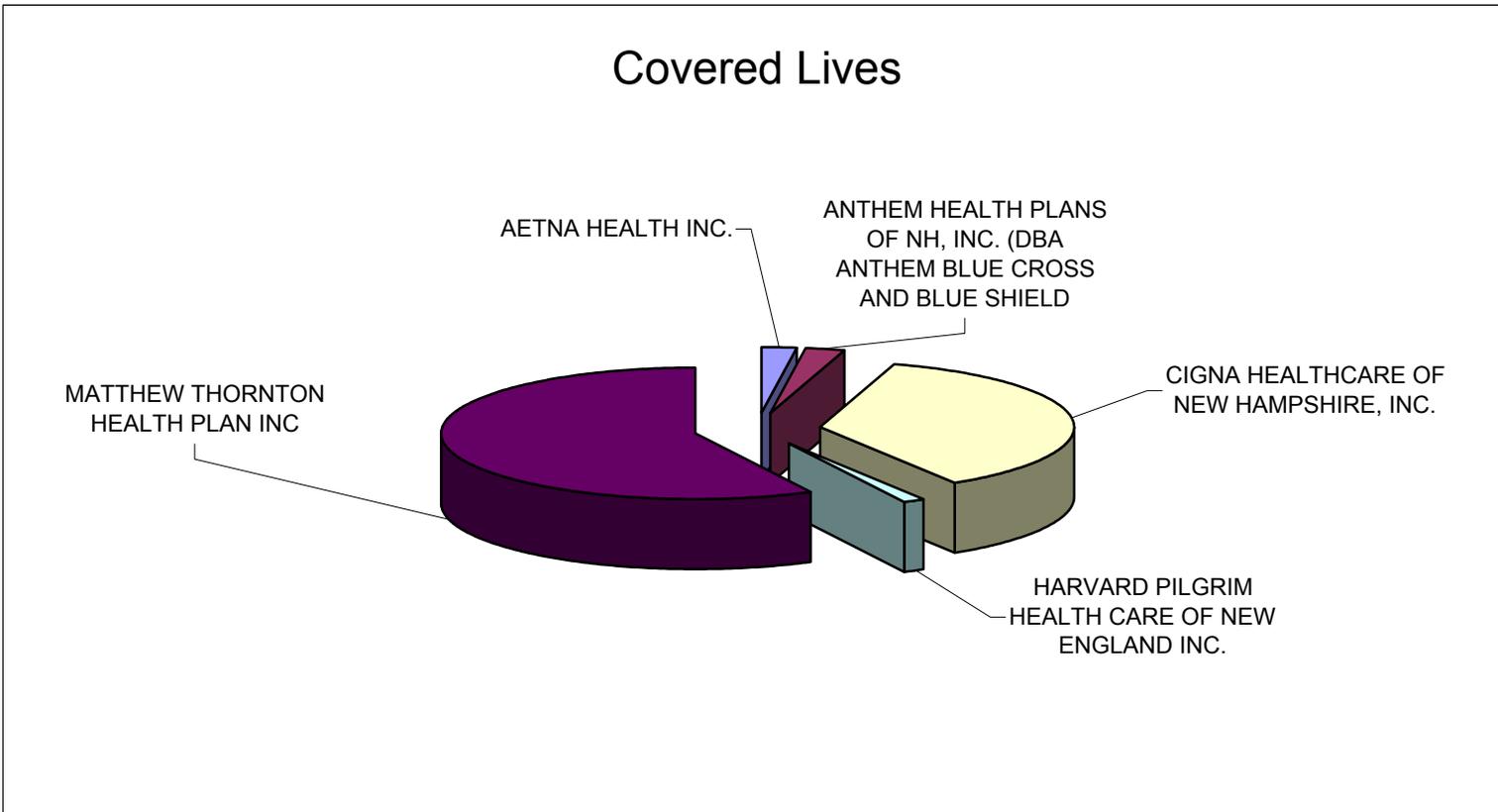
Company Name	Covered Lives
AETNA HEALTH INC.	1,646
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	747
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	5,471
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	1,120
MATTHEW THORNTON HEALTH PLAN INC	9,514



# Statewide Market Share by Company Small Group Zip Area 032



Company Name	Covered Lives
AETNA HEALTH INC.	554
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	715
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	9,506
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	324
MATTHEW THORNTON HEALTH PLAN INC	15,100

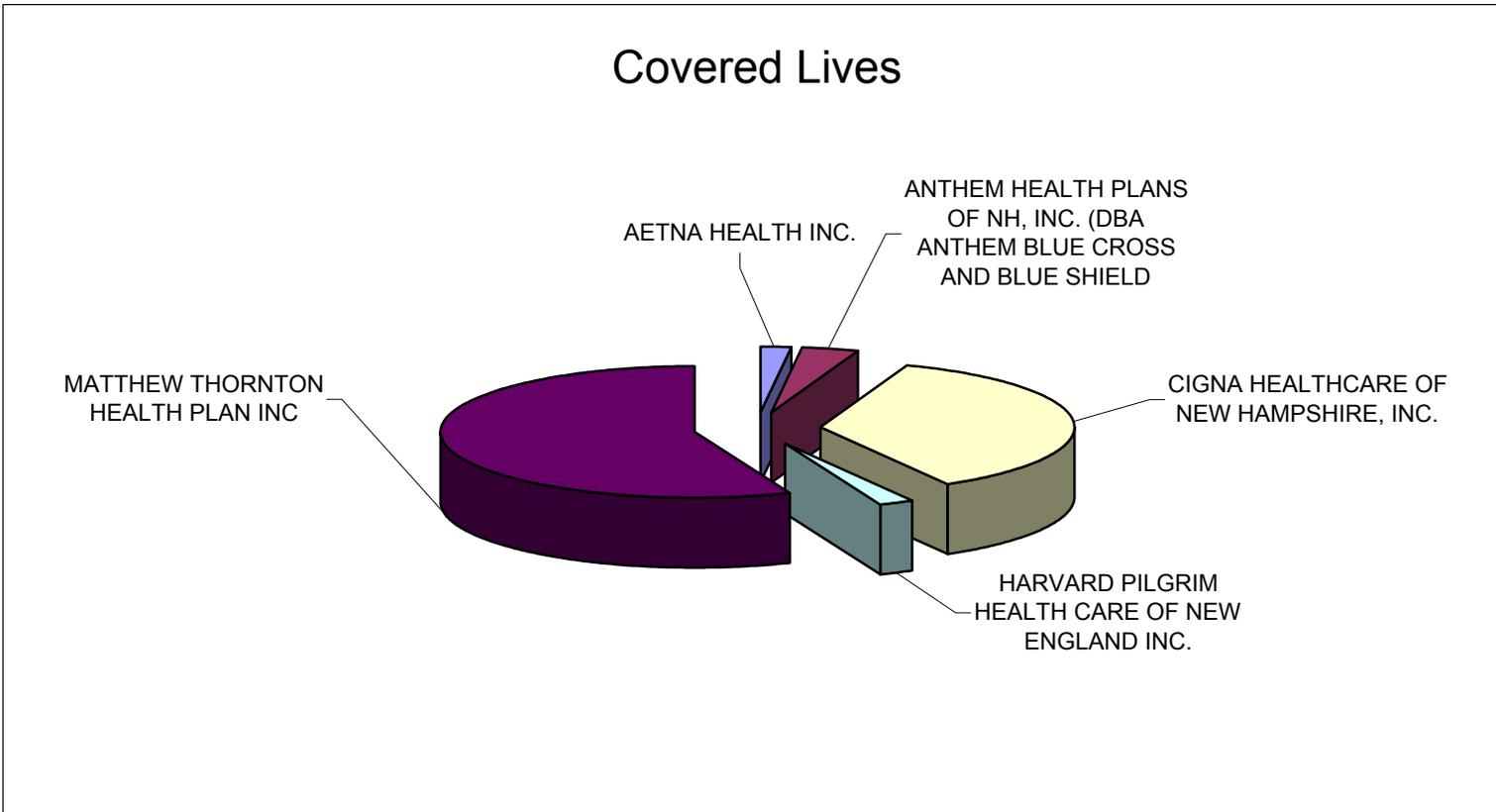
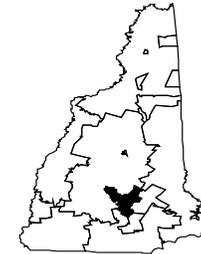


# Statewide Market Share by Company

## Small Group

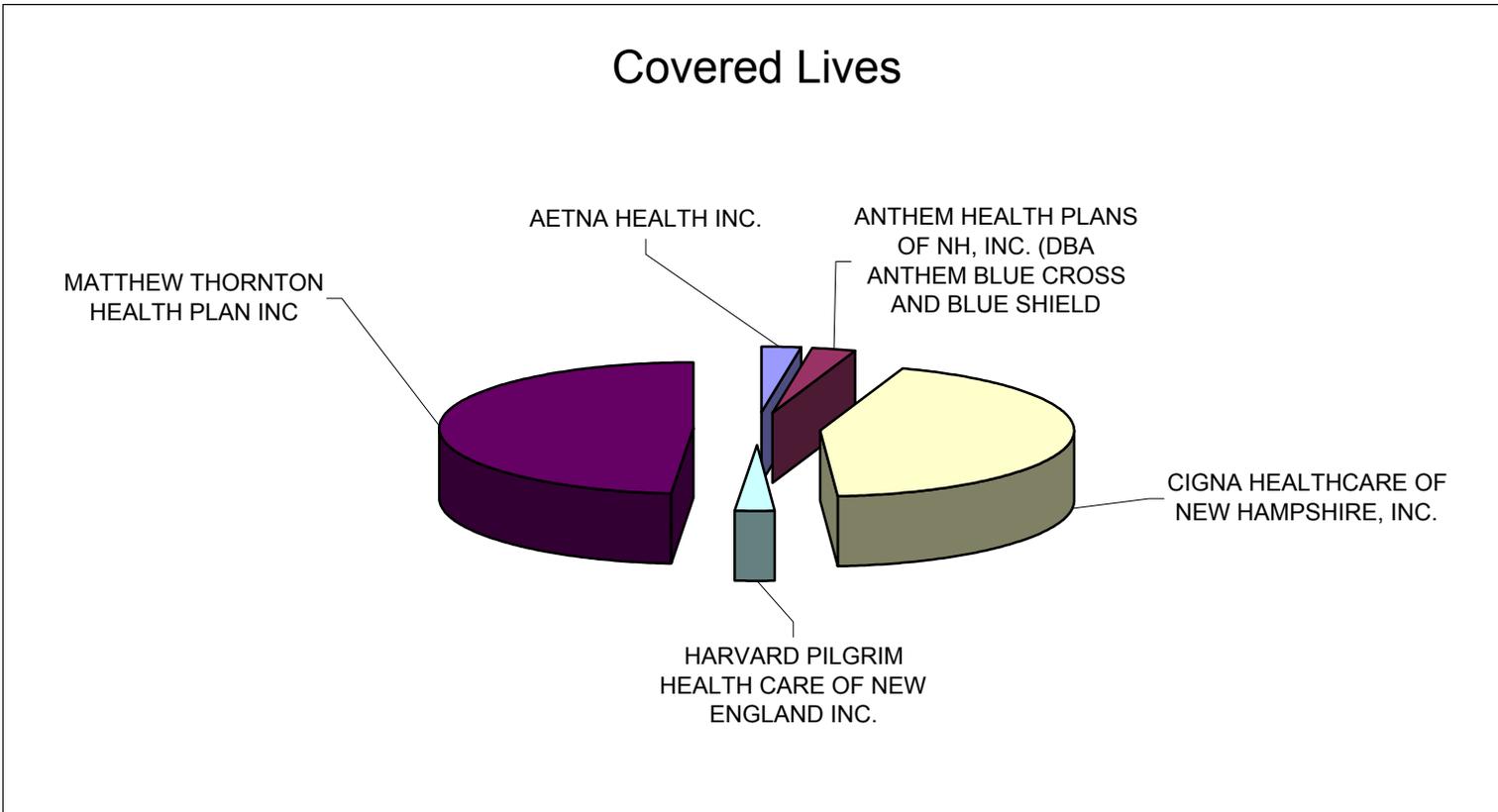
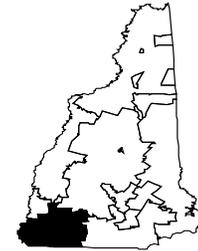
### Zip Area 033

Company Name	Covered Lives
AETNA HEALTH INC.	168
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	309
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	3,084
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	189
MATTHEW THORNTON HEALTH PLAN INC	4,813



# Statewide Market Share by Company Small Group Zip Area 034

Company Name	Covered Lives
AETNA HEALTH INC.	241
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	249
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	3,995
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	218
MATTHEW THORNTON HEALTH PLAN INC	4,451



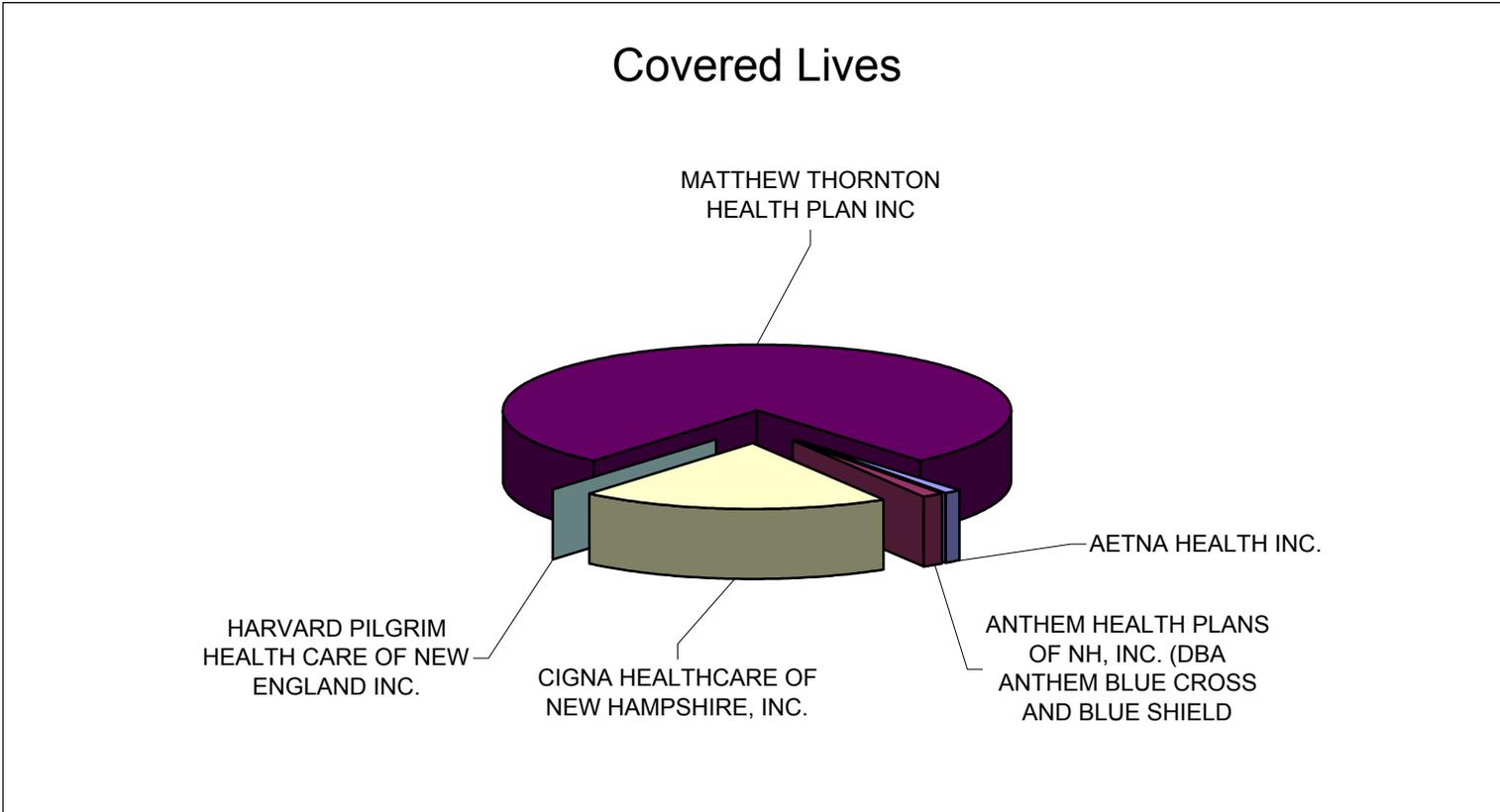
# Statewide Market Share by Company

## Small Group

### Zip Area 035

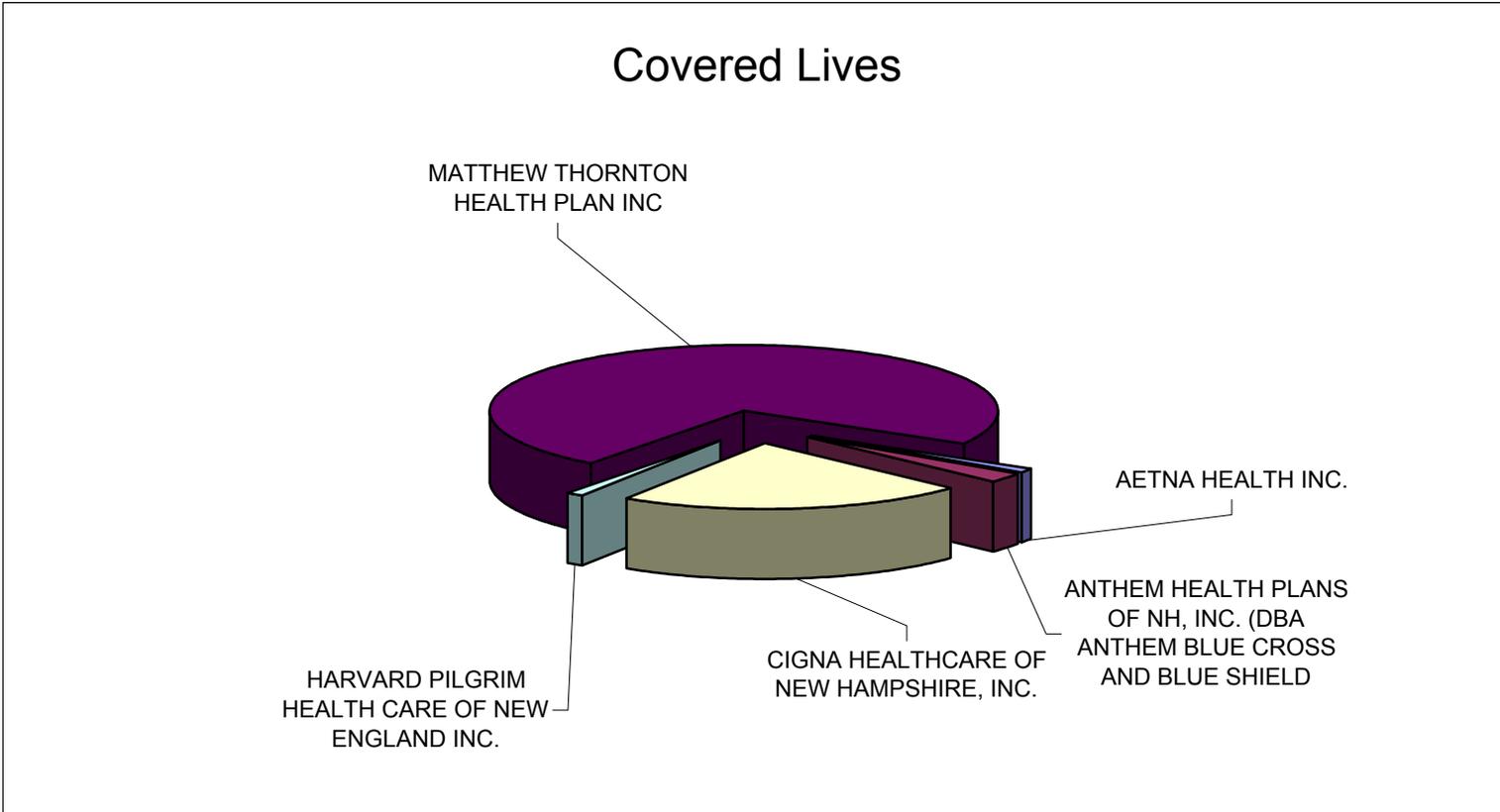
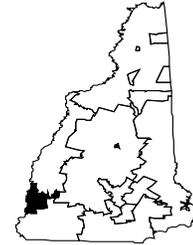


Company Name	Covered Lives
AETNA HEALTH INC.	46
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	66
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	860
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	3
MATTHEW THORNTON HEALTH PLAN INC	3,393



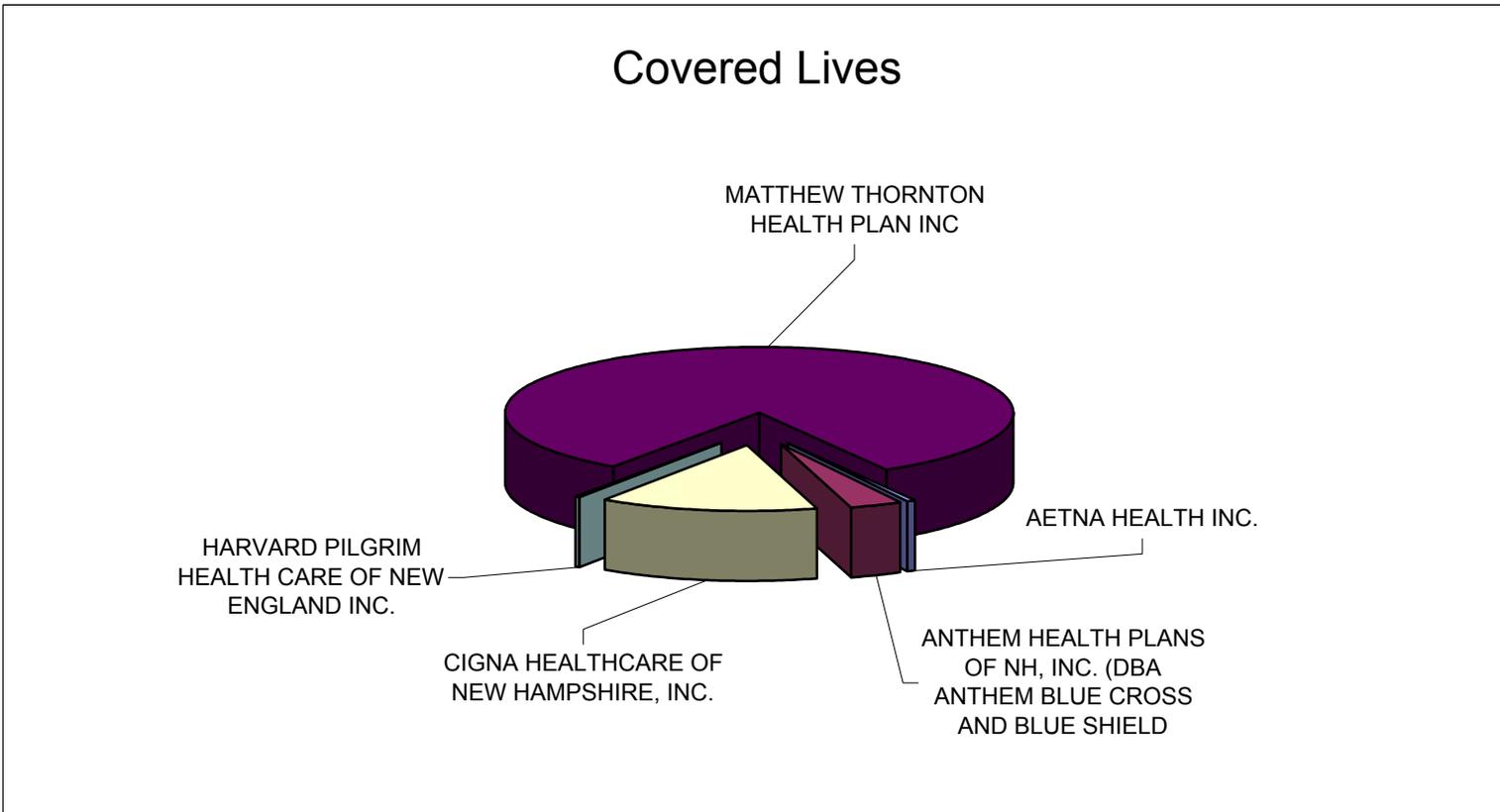
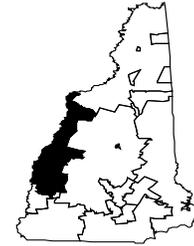
## Statewide Market Share by Company Small Group Zip Area 036

Company Name	Covered Lives
AETNA HEALTH INC.	16
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	42
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	345
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	16
MATTHEW THORNTON HEALTH PLAN INC	1,142



# Statewide Market Share by Company Small Group Zip Area 037

Company Name	Covered Lives
AETNA HEALTH INC.	40
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD	242
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	975
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	21
MATTHEW THORNTON HEALTH PLAN INC	5,773

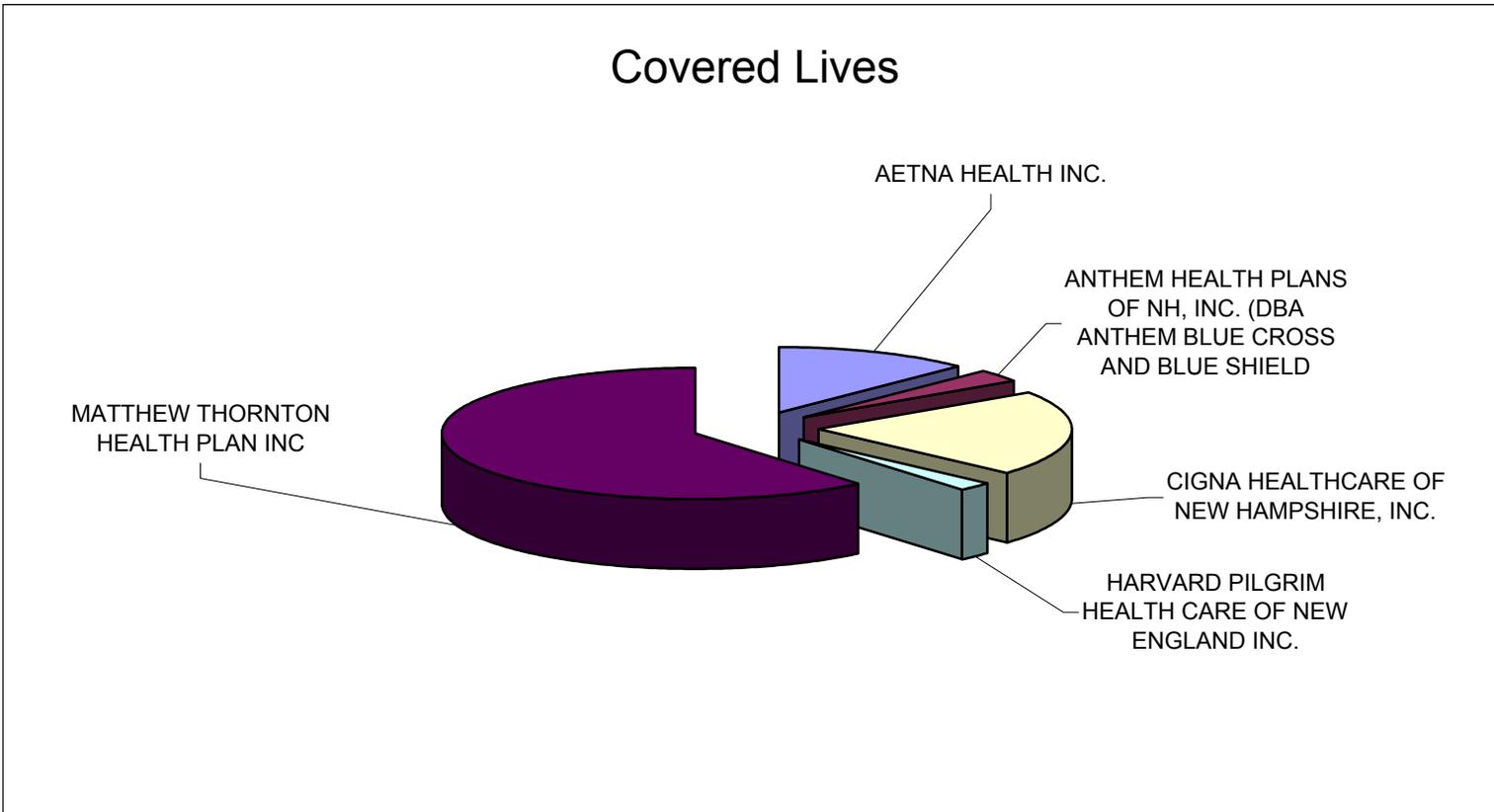
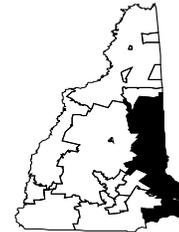


# Statewide Market Share by Company

## Small Group

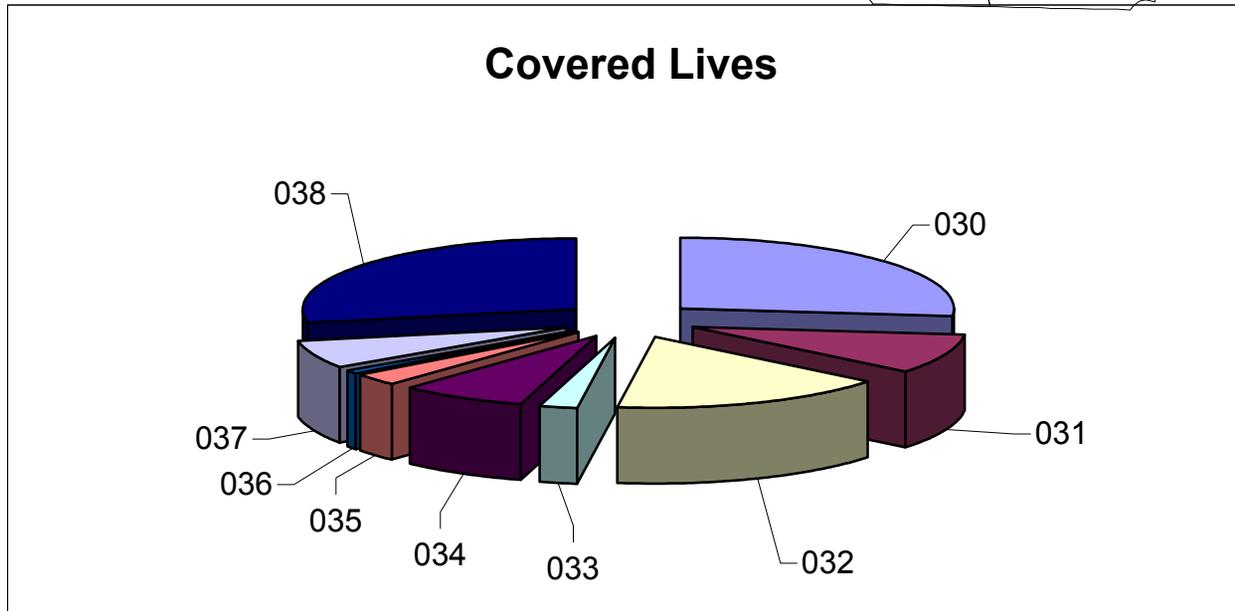
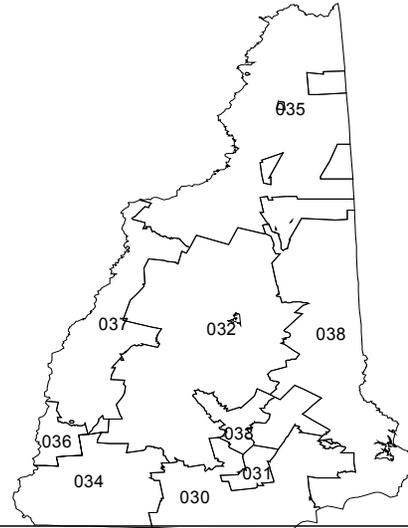
### Zip Area 038

Company Name	Covered Lives
AETNA HEALTH INC.	5,023
ANTHEM HEALTH PLANS OF NH, INC. (DBA ANTHEM BLUE CROSS AND BLUE SHIELD)	1,275
CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.	8,522
HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND INC.	898
MATTHEW THORNTON HEALTH PLAN INC	24,791



## Statewide Market Share by Area Individual

Zip Area	Covered Lives
030	244
031	82
032	150
033	21
034	67
035	25
036	9
037	58
038	256



**State of New Hampshire Insurance Department  
56 Old Suncook Road  
Concord, New Hampshire 03301**

**Paula T. Rogers  
Commissioner**

**BULLETIN  
Docket No.: INS No. 02-001-AB**

**TO:** All New Hampshire Licensed Health Insurance Companies, Health Maintenance Organizations, Fraternal Benefit Societies and Third Party Administrators

**FROM:** Paula T. Rogers  
Insurance Commissioner

**DATE:** January 24, 2002

**RE: Supplemental Reporting**

**Background**

Pursuant to RSA Chapter 400, the Insurance Commissioner has the authority to prescribe the format and content of financial and other reports filed by licensed insurers in New Hampshire. The reports submitted by licensed carriers and other entities are important to evaluate the financial solvency of carriers operating in New Hampshire as well as to understand the characteristics of New Hampshire's insurance markets.

Recently, concerns about premium increases in the small and large group employer health insurance markets have made the need for submission of market based information critical. The Insurance Commissioner is responsible for reporting on the condition of these markets to the New Hampshire General Court. Without specific information regarding the loss ratios for different sized groups, geographic differences in cost, and product differences, the Commissioner cannot report on the availability and affordability of health insurance coverage in New Hampshire.

**Components of Supplemental Report**

To obtain the information necessary to assess the condition of the health insurance markets in New Hampshire, all health carriers will be required to file an annual supplemental report in the form specified herein. As noted in the Supplemental Report Format, the initial filing date for licensed non-profit health service corporations and licensed HMO's will be May 1, 2002. Health carriers subject to this filing date shall use their reasonable best efforts to comply. The initial filing date for all other health carriers shall be May 1, 2003, and those carriers shall also use their reasonable best efforts to comply. The second annual report shall comply fully with the Supplemental Report Format.

As noted in the Supplemental Report Format, Attachment A to this Bulletin, the supplemental report shall consist of an electronic data base that includes the following: 1) the category of coverage; 2) the market category; 3) the geographical location of each policyholder identified by the first 3 digits of the policyholder's zip code; 4) the geographical location of each certificate holder under that policy identified by the first 3 digits of the certificate holder's residence; 5) the number of policyholders; 6) the number of certificate holders and covered persons; 7) the written premium; and 8) the paid health and medical expenses. The instructions for preparing the supplemental report are set forth herein, and must be followed.

Any questions should be directed to Leslie J. Ludtke, Esquire, Health Policy Analyst at 603-271-2261.

## Supplemental Report Format

### I. Definitions

- (a) "Certificate holder" shall have its usual and customary meaning for insurance writers and their written coverage. For group coverage, the employee shall be the certificate holder. For individual coverage, the policyholder shall be the certificate holder. For third party administrators and other health carriers not licensed to write insurance coverage, certificate holder shall mean any person for whom the health carrier has a substantially similar contractual obligation effected through a policy.
- (b) "Claims paid" shall be calculated as prescribed for the carrier's Statement of Revenue and Expenses, or its equivalent, which is a required component of the annual statement filing. The commissioner may approve the use of a reasonable proxy upon the carrier's provision of documentation demonstrating that the use of the same does not materially distort the carrier's data submission. For third party administrators, claims paid shall mean amounts disbursed pursuant to contractual requirements.
- (c) "Covered lives" shall include all individuals, employees and dependents for which the health carrier has an obligation to adjudicate, pay or disburse claim payments.
- (d) "Data" means factual information used as a basis for calculation or measurement.
- (e) "Data base" means a collection of data organized especially for search and retrieval.
- (f) "Health carrier" means any entity subject to the insurance laws and rules of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to provide, deliver, arrange for, pay for or reimburse any of the costs of health services; including an insurance company, a health maintenance organization, a nonprofit health services corporation, third party administrator or any other entity arranging or providing health coverage.
- (g) "Reporting unit" means aggregated insurance data grouped together by the following four characteristics: insurance market; insurance coverage; policy situs; and insured or certificate holder situs.
- (h) "Policy" shall have its traditional meaning for insurance writers. For third party administrators and other health carriers not licensed to write insurance coverage, policy shall mean the contractual relationship effected by the health carrier for which an insurance license is required. For group coverage, the employer shall be the policyholder.
- (i) "Premium" shall be calculated as prescribed for the carrier's Statement of Revenue and Expenses, or its equivalent, which is a required component of the annual statement filing. The Commissioner may approve the use of a reasonable proxy upon the carrier's provision of documentation demonstrating that the use of the same does not materially distort the carrier's data submission. For third party administrators, premium shall mean the amount of revenue collected from contracted accounts

**II. Annual Supplemental Report Required**

- (a) Each health carrier that is licensed to conduct business in New Hampshire shall file an annual supplemental report with the commissioner of insurance.
- (b) The annual supplemental report shall be filed not later than April 1 of each year in the format specified by the commissioner. For the calendar year 2001 supplemental report, which is due May 1, 2002, licensed HMOs and non-profit health service corporations shall file a supplemental report using their reasonable best efforts to comply. For the calendar year 2002 supplemental report, licensed HMOs and non-profit health service corporations shall file a supplemental report that fully complies with the requirements set forth herein. For the calendar year 2002 supplemental report, all other health carriers shall file a supplemental report using their reasonable best efforts to comply. For the calendar years subsequent to 2002, all health carriers shall file supplemental reports that fully comply with the requirements set forth herein.
- (c) Beginning in 2003, the annual supplemental report for all health carriers shall be filed not later than April 1<sup>st</sup> of each year and shall include information for the previous calendar year ending December 31st.

**III. Data Format**

- (a) Data shall be provided in electronic format in accordance with the methods and technical specifications set forth in Appendix A.
- (b) Data collected for each policy of insurance written by a health carrier shall be compiled into a data base that shall include the following:
  - (1) The category of coverage;
  - (2) The market category;
  - (3) The geographical location of each policyholder identified by the first 3 digits of the policyholder's zip code;
  - (4) The geographical location of each certificate holder under that policy identified by the first 3 digits of the certificate holder's residence;
  - (5) The number of policyholders;
  - (6) The number of certificate holders;
  - (7) The premium;
  - (8) The claims paid;
  - (9) For third party administrators, billed premium shall mean the amount of revenue collected from contracted accounts, and paid claims shall mean amounts disbursed pursuant to contractual requirements;
  - (10) The number of covered lives for which the carrier had an obligation under those certificates in the reporting unit at any time during the reporting year. When

tabulating this field, if a carrier had obligation for a covered life for only one month during the reporting year, count that exposure as 1/12.

#### **IV. Data Reporting**

(a) The data shall be reported based upon a reporting unit. The reporting unit shall be a data set that consists of aggregated data grouped together by 4 shared characteristics. The 4 shared characteristics that shall define each reporting unit are as follows:

- (1) The first 3 digits of the policyholder's zip code;
- (2) The first 3 digits of the certificate holder's zip code;
- (3) The coverage category; and
- (4) The market category.

(b) The following data elements shall be reported for each reporting unit:

- (1) The premiums for the certificates in the reporting unit;
- (2) The number of certificate holders;
- (3) For reporting units where the policyholder zip code and the certificate zip code are identical, carriers shall record the number of policies in effect at any time during the reporting year as the number of policyholders, otherwise a zero shall be coded for the number of policyholders;
- (4) The claims paid for the certificates in the reporting unit; and
- (5) The number of covered lives for which the carrier had an obligation under those certificates in the reporting unit at any time during the reporting year. When tabulating this field for each covered life for which the carrier had an obligation for one month during the reporting year, the exposure is counted as 1/12.

#### **V. Categories of Coverage**

(a) The categories of insurance shall include:

- (1) Indemnity insurance;
- (2) Managed care plans, including network based plans, point of service plans and PPO plans;
- (4) Group excess loss insurance, e.g. stop loss;
- (5) Stand-alone dental insurance;
- (6) Specified disease insurance;
- (7) Accident only insurance;

- (8) Short-term disability insurance;
  - (9) Other limited benefit insurance;
  - (10) Long-term disability insurance;
  - (11) Long-term care insurance;
  - (12) Medicare supplement insurance, including Medicare Select;
  - (13) Medicare+Choice;
  - (14) Credit, accident and health insurance;
  - (15) Administrative Services Only, e.g. Third Party Administrators where the plan has purchased stop loss coverage;
  - (16) Administrative Services Only, e.g. Third Party Administrators, where the plan has not purchased stop loss coverage;
  - (17) Short Term Non-Renewable Health Insurance; and
  - (18) Other, e.g. non-comprehensive medical insurance.
- (b) The market categories shall include:
- (1) The individual market, not including group conversion policies;
  - (2) Group conversion policies;
  - (3) The small employer group market where the employers employ 1 employee and where the coverage is not obtained through a qualified association trust;
  - (4) The small employer group market where the employers employ 2 to 9 employees and where the coverage is not obtained through a qualified association trust;
  - (5) The small employer group market where the employers employ 10 to 25 employees and where the coverage is not obtained through a qualified association trust;
  - (6) The small employer group market where the employers employ 26 to 50 employees and where the coverage is not obtained through a qualified association trust;
  - (7) The small employer group market where the employers employ 51 to 75 employees and where the coverage is not obtained through a qualified association trust;
  - (8) The small employer group market where the employers employ 76 to 99 employees and where the coverage is not obtained through a qualified association trust;

- (9) The small employer group market where coverage is written through a qualified association trust;
- (10) The large employer group market where the employers employ 100 or more employees;
- (11) Medicare related markets;
- (12) Medicaid;
- (13) The federal employee health plan;
- (14) Group Blanket Accident and Health, e.g. student policies, discretionary group or other non-employer groups.

(c) For the initial report only, where the health carrier is not able to classify the small employer market into the segments established by this bulletin, the health carrier may report using a bundled code.

#### **VI. Confidentiality**

(a) Each company or person from whom information is sought shall provide the information to the commissioner.

(b) The Supplemental Report filed by each health carrier shall be maintained as a confidential document, but shall not be deemed to limit the commissioner's authority to use or disclose such information which the commissioner in the exercise of his/her duty may deem appropriate pursuant to RSA 400-A:25.

**APPENDIX A**  
**State of New Hampshire**  
**Supplemental Report**

**Instructions:**

Data should be submitted in a manner that is suitable for electronic processing. All files shall be submitted via E-mail to [requests@ins.state.nh.us](mailto:requests@ins.state.nh.us). The subject line should read: "ATTN: Statistician, Insurance Department Supplemental Report"

All submissions shall be an ASCII fixed length file where the required data elements are recorded in the byte locations shown below.

The file shall be named SIR<cocode>.txt and conform to the following:

The first record shall include the required transmittal information and conform to the following:

Field Number	Start Byte	End Byte	Field Name	Field Type	Field Length	Field Description
1	1	1	Data Type	Char	1	Set to "T"
2	2	6	CoCode	Char	5	NAIC Company Code
3	7	10	Report Year Submission	Char	4	
4	11	18	Date Fiscal End	Num	8	MMDDYYYY
5	19	22	Date	Num	4	MMDD; Date Fiscal Year Ends
6	23	72	Contact	Char	50	Space LastName [, Suffix] FirstLine of Mailing Address for Contact
7	73	122	ContactAD1	Char	50	Person SecondLine of Mailing Address for Contact
8	123	172	ContactAd2	Char	50	Person
9	173	197	Contact City Contact	Char	25	Mailing City for Contact Person 2 letter std abbreviation for Mailing State
10	198	199	STABBR	Char	2	for Contact Person
11	200	209	Contact Zip Contact	Num	10	xxxxx[xxxx]
12	210	219	Phone Contact	Num	10	Contact Voice Phone xxxxxxxxxxx
13	220	244	E-Mail	Char	25	

Records following the transmittal record shall be for notes.

Field Number	Start Byte	End Byte	Field Name	Field Type	Field Length	Field Description
1	1	1	Data Type	Char	1	Set to "N"
2	2	255	Notes	Char	254	

The data records shall follow the note records.

Field Number	Start Byte	End Byte	Field Name	Field Type	Field Length	Description
1	1	1	Data Type	Char	1	Set to "D"
2	2	6	CoCode	Char	5	NAIC Company Code
3	7	9	CovCat	Char	3	Coverage Category (See Table for Valid Codes)
4	10	12	MktCat	Char	3	Market Category (See Table for Valid Codes)
5	13	15	Policy Zip	Num	3	First Three Digits of ZipCode where Policy is sitused
6	16	18	CertZip	Num	3	First Three Digits of ZipCode where Certificate holder resides
7	19	28	Policy Count	Num	10	Number of Policies in the reporting unit
8	29	38	Cert Count	Num	10	Number of Certificate holders in the reporting unit
9	39	48	CovLiveCount	Num	10	Number of Covered Lives in the reporting unit
10	49	63	Premium	Num	15	Round to nearest whole dollar
11	64	78	Claims	Num	15	Round to nearest whole dollar

The following values shall be used for the CovCat field to reflect the coverage category:

Coverage Category Code	Coverage Category Description
IND	Indemnity Insurance
HMO	Managed care plans
STL	Group Excess Loss
DEN	Stand-alone Dental
DIS	Specified Disease
ACC	Accident Only
STD	Short-term Disability
LTB	Other limited benefit
LTD	Long term Disability
LTC	Long term care
MGP	Medicare supplement
M+C	Medicare+Choice
CRD	Credit, accident and health
ASW	Administrative Services Only with Stop Loss
ASO	Administrative Services Only with out Stop Loss
STN	Short-term non-renewable health insurance
OTH	Other

The following values shall be used for the MktCat field to record the Market Category:

Market Category Code	Market Category Description
IND	Individuala
GCV	Group Conversion
GS1	Small Employer Group Market - One Employee
GS2	Small Employer Group Market - 2-9 Employee
GS3	Small Employer Group Market - 10-25 Employee
GS4	Small Employer Group Market - 26-50 Employee
GS5	Small Employer Group Market - 51-75 Employee
GS6	Small Employer Group Market - 76-99 Employee
GSA	Small Employer Group Market - Qualified Association Trust
GSU	Small Employer Group Market - Unknown
GLG	Large Employer Group Market
MSR	Medicare Related
MCD	Medicaid
FEP	Federal Employee Health Plan
BLK	Group Blanket Accident and Health

The Department may facilitate data submissions in other file formats. Contact the Department for prior approval and instructions.

## GLOSSARY OF TERMS

- “ASO” means “administrative services only” and includes premium for which the reporting entity has no insurance risk.
- “ASW” means administrative services only with stop loss and includes business for which the reporting entity has both an administrative responsibility and a reinsurance risk.
- “Carrier” means any entity subject to the insurance laws and rules of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to provide, deliver, arrange for, pay for or reimburse any of the costs of health services; including an insurance company, a health maintenance organization, a nonprofit health services corporation, third party administrator or any other entity arranging or providing health coverage.
- “Claims Paid” means claims that are calculated as prescribed in the carrier’s Statement of Revenue and Expenses, or its equivalent, which is a required component of the annual statement filing.
- “Claims paid proxy” includes any alternative method that the Commissioner may approve as a reasonable proxy and that does not materially distort the carrier’s data submission.
- “Claims paid by third-party administrators” means the amount disbursed pursuant to contractual requirements.
- “Covered lives,” means all individuals, employees and dependents for whom the health carrier has an obligation to adjudicate, pay or disburse claim payments.
- “Fraternal benefit society” means an incorporated society, order or supreme lodge, without capital stock, organized and carried on solely for the benefit of its members and their beneficiaries and not for profit, operating on a lodge system having a representative form of government, and which makes provision for the payment of benefits in accordance with this chapter
- “Fully insured” means business for which the reporting entity has both administrative responsibilities and insurance risk.
- “Group insurance ”means insurance coverage sold to employers.
- “Health insurance company” means a carrier licensed to provide fully insured products.
- “Health maintenance organization” means a health insurance company licensed to provide network based fully insured products.
- “Indemnity insurer ” means a health insurance company other than a health maintenance organization.
- “Individual insurance ” means non-group insurance coverage sold directly to person or persons covered.
- “Large group coverage ” means group insurance sold to employers with more than 100 employees before January 1, 2004, and on or after January 1, 2004, means group coverage sold to employers with more than 50 employees.

- “Lives associated with residents commuting out of state,” means the estimated number of NH residents in families in which the primary wage earner is employed at an out-of-state location.
- “Loss ratio” means the ratio of claims paid to premiums.
- “Managed care plan” means a health benefit plan that either requires a covered person to use, or creates incentives, including financial incentives, for a covered person to use health care providers who are managed, owned, under contract with, or employed by the health carrier.
- “Medicare related” means insurance sold to either supplement Medicare coverage or as an alternative to Medicare coverage.
- “Non-profit health service corporation” means a corporation without capital stock organized under the laws of the state for the purpose of establishing, maintaining, and operating a health service plan or plans whereby the expense of health-related care may be partially or wholly provided to its subscribers by the payment of benefits for facilities, professional services, appliances, medicines, or supplies furnished directly or indirectly by the health service corporation to its subscribers.
- “PMPM” means the per member per month amount which is determined by dividing the total charge or cost by the number of covered persons.
- “Premium paid” means the amount calculated as prescribed in the carrier’s Statement of Revenue and Expenses, or its equivalent, and as required in the annual statement filing.
- “Proxy for premium paid” means for third party administrators the amount of revenue collected from contracted accounts, and for insurers a method approved by the commissioner that does not distort the amount of money received in relation to the risks covered.
- “Self-insured” means an employee benefit plan in which the employer retains the insurance risk for the health insurance coverage.
- “Small group coverage” means until January 1, 2004 group insurance provided by employers with fewer than 100 employees, and on or after January 1, 2004, group coverage provided by employers with fewer than 50 employees.
- “Stop loss coverage” means insurance purchased by employers who are self-insured to protect themselves from losses.
- “Third party administrator” means a person who directly or indirectly solicits or effects coverage of, underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with life or health insurance coverage or annuities or workers' compensation insurance.